

Introductory Section

City of Selma
Annual Financial Report
For The Year Ended June 30, 2008

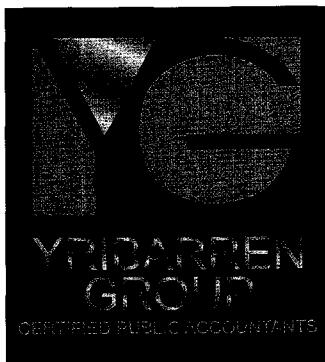
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December 31, 2008

Independent Auditor's Report on Financial Statements

City Council
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Selma as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Selma's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Selma as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2008, on our consideration of City of Selma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements which collectively comprise the City of Selma' basic financial statements. The accompanying schedule of expenditures of federal awards required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the combining financial statements and supporting schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Yribarren Group
Certified Public Accountants'

Management's Discussion and Analysis

This discussion and analysis of the City of Selma's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the accompanying transmittal letter, the basic financial statements and accompanying to those financial statements.

Financial Highlights

The City's governmental funds ended the year with a combined fund balance of \$47 million.

The City's General Fund ended the year with a fund deficiency of \$1.1 million, a decrease of \$2 million from the previous year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements include all activities of the City of Selma and its component units, the Selma Redevelopment Agency and the Selma Public Finance Authority, using the integrated approach as prescribed by GASB Statement No. 34. The Statement of Net Assets and Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services are financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the Government.

Reporting the City as a Whole

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting method used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received.

The *Statement of net assets* presents information on all the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increase or decreases in net assets may serve as one indicator of whether the City's financial position is improving or deteriorating.

The *Statement of activities* presents information showing how the City's net assets changed in the most recent fiscal year. All changes of net assets are reported as soon as the underlying event giving raise to the change occurs. Thus, revenues and expenses are reported on this statement for some items that will result in cash flow in future fiscal periods (e.g. earned but unused vacation leave.)

The government-wide financial statements of the City are divided as follows:

Governmental Activities: Most of the City's basic services are included here such as public safety, transportation (street and roads), community development, culture and recreation and general government. These services are primarily financed by property and sales taxes, federal and state grants and development fees. The Selma Redevelopment Agency, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included under government activities as an integral part of the City.

Business-type Activities: The City charges fees to customers to cover the costs of services provided. The City's ambulance and transportation services are included here.

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2008

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant funds, not the city as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds due to legal requirements for using certain taxes, grants, and other money. All the funds of the City can be classified into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a government's near term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation between governmental funds and governmental activities. This reconciliation explains the relationship (or differences) between the fund statements and the government-wide statements.

The City of Selma maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the General Fund, Reserve Fund, Redevelopment Administration Fund, and Street Maintenance Fund, all of which are considered to be major funds. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance to this budget.

Proprietary funds. The City has two different types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilized enterprise funds to account for those activities that are supported primarily by user charges to external users, and includes the ambulance service and the Selma Manufacturing Complex, plus several non-major enterprise activities. Internal service funds are used to account for activities and include employee benefits, general services, risk management and fleet services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Ambulance and the Selma Manufacturing Complex funds, which are major funds. Other additional enterprise funds are combined into a single aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. All of the internal service funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

CITY OF SELMA
Managements Discussion and Analysis
June 30, 2008

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the city. Fiduciary funds are not reflected in the government-wide financial statements because the city cannot use these funds to finance its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund statements.

Other information. The combining statements referred to earlier in connection with the non-major governmental, enterprise and internal service funds are presented immediately following the required supplementary information on the City's retirement plan

Government-wide Financial Analysis

Below is a table showing the City's net assets for the fiscal year ended June 30, 2008, with comparative data for the fiscal year ended June 30, 2007.

City of Selma's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 9,160,951	\$ 12,331,594	\$ 1,468,108	\$ 2,064,184	\$ 10,629,059	\$ 14,395,778
Capital and long-term assets	61,242,485	73,483,417	221,275	3,039,824	61,463,760	76,523,241
Total assets	\$ 70,403,436	\$ 85,815,011	\$ 1,689,383	\$ 5,104,008	\$ 72,092,819	\$ 90,919,019
Long-term liabilities outstanding	\$ 18,768,628	\$ 28,100,551	\$ 162,394	\$ 239,321	\$ 18,931,022	\$ 28,339,872
Other liabilities	5,589,786	5,628,142	336,284	336,284	5,926,070	5,964,426
Total liabilities	24,358,414	33,728,693	498,678	575,605	24,857,092	34,304,298
Net assets:	\$ 46,045,022	\$ 52,086,318	\$ 1,190,705	\$ 4,528,403	\$ 47,235,727	\$ 56,614,721
Investment in capital assets,						
net of related debt	\$ 46,801,124	\$ 46,395,133	\$ 118,124	\$ 2,609,776	\$ 46,919,248	\$ 49,004,909
Restricted	6,357,339	4,481,601	-	-	6,357,339	4,481,601
Unrestricted	(7,113,441)	1,209,584	1,072,581	1,918,627	(6,040,860)	3,128,211
Total net assets	\$ 46,045,022	\$ 52,086,318	\$ 1,190,705	\$ 4,528,403	\$ 47,235,727	\$ 56,614,721

As of June 30, 2008 the City's government-wide total assets exceeded liabilities (net assets) by \$47 million. Governmental activities finished the year with a positive net asset balance of \$46.2 million. Business type activities finished the year with a positive balance of \$.800,000, Net assets as noted earlier may serve over time as a useful indicator of the City's financial position.

A portion the City's long-term liabilities relate to the acquisition of capital assets. Some of those assets include the City's corporation yard, equipment, and street infrastructure. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Slightly less than half (49%) of the long-term liabilities are covered by an outside funding source. These include the assessment districts and bond reserves. There are receivables that offset this liability.

Restricted net assets amount to \$6.3 million of the total. Restricted net assets are those resources that are subject to external restrictions on how they may be used. These restrictions are established by bond covenants or restrictions on the use of funds by state or federal regulations.

CITY OF SELMA
Managements Discussion and Analysis
June 30, 2008

Governmental activities.

The following lists key components of these activities:

City of Selma's Changes in Net Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 829,727	\$ 1,238,599	\$ 3,106,093	\$ 3,518,739	\$ 3,935,820	\$ 4,757,338
Operating grants and contributions	46,533	50,328	358,663	273,580	405,196	323,908
General revenues:						
Taxes	8,638,792	9,107,165	-	-	8,638,792	9,107,165
Licenses and permits	191,992	209,180	-	-	191,992	209,180
Intergovernmental charges	2,205,151	3,140,725	-	-	2,205,151	3,140,725
Fines	165,960	122,157	-	-	165,960	122,157
Franchise fees	613,350	580,098	-	-	613,350	580,098
Revenue for the use of property	295,475	2,377,594	30,688	24,752	326,163	2,402,346
Miscellaneous	1,133,452	1,080,325	13,279	3,320	1,146,731	1,083,645
Transfers	(46,558)	21,399	10,000	(61,918)	(36,558)	(40,519)
Total revenues	14,073,874	17,927,570	3,518,723	3,758,473	17,592,597	21,686,043
Expenses:						
General government	1,988,126	1,676,609			1,988,126	1,676,609
Public safety	6,744,746	6,354,334			6,744,746	6,354,334
Public Works	1,825,678	1,814,342			1,825,678	1,814,342
Community development	2,482,972	2,907,627			2,482,972	2,907,627
Cultural and recreation	556,741	492,381			556,741	492,381
Capital Outlay	2,802,923	2,861,229			2,802,923	2,861,229
Debt Service	3,680,752	2,680,181			3,680,752	2,680,181
Ambulance			1,402,907	1,271,722	1,402,907	1,271,722
RDA Selma Manufacturing Complex			3,959,372	1,145,318	3,959,372	1,145,318
Pioneer Village			66,863	(2,971)	66,863	(2,971)
Transit			344,729	309,817	344,729	309,817
Garbage services			1,037,293	1,050,496	1,037,293	1,050,496
Cultural Arts			15,188	15,556	15,188	15,556
Total expense	20,081,938	18,786,703	6,826,352	3,789,938	26,908,290	22,576,641
Increase in net assets	(6,008,064)	(859,133)	(3,307,629)	(31,465)	(9,315,693)	(890,598)
Net assets - beginning	52,053,086	52,946,125	4,498,314	4,427,259	56,551,400	57,373,384
Net assets - ending	\$46,045,022	\$52,086,992	\$ 1,190,685	\$ 4,395,794	\$47,235,707	\$56,482,786

The Governmental revenues for the year were \$14.1 million. Taxes, which include property, sales and other taxes account for \$8.6 million or 51.7% of the City's governmental activities revenue.

CITY OF SELMA

Managements Discussion and Analysis

June 30, 2008

Total governmental expenses for the year were \$20.1 million. Public Safety, which includes police and fire, account for \$6.7 million or 34% of the total governmental activity expenses. Community Development function accounts for \$2.5 million or 13% of the total expenses.

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Not all of the City's governmental funds ended the year with positive fund balances. The ending fund balance for all funds is \$5.1 million, which is a decrease of \$1.3 million or 20% when compared to the prior year. Of the total fund balance, a deficiency of \$737,794 is unreserved. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following:

Debt Service	\$ 1,027,052
Low-Income Housing	\$ 258,503
Capital Projects and other	\$ 4,536,495

The general fund total fund balance decreased \$2 million from the previous fiscal year. A General Reserve fund and an Equipment Replacement fund in the amount of \$770,983 are available for use for unanticipated needs.

Proprietary funds. As indicated in the description of proprietary funds, there are two types of funds, enterprise and internal service funds. The Ambulance fund ended the year with a positive unrestricted balance.

All the internal service funds finished with a deficiency in unrestricted net assets.

General Fund Budgetary Highlights expropriations

Throughout the fiscal year it was necessary to adjust the original General Fund budget. The Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget to Actual, General Fund, shows the original budget and final budget.

Capital Assets and Debt Administration

Capital Assets. The City's Investment in Capital Assets for its governmental and business-type activities are as follows:

	City of Selma Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 7,790,302	\$ 7,790,302	\$ -	\$ 1,560,000	\$ 7,790,302	\$ 9,350,302
Building and improvements	4,170,313	4,170,313	263,152	16,272,334	4,433,465	20,442,647
Machinery and equipment	6,697,401	6,325,538	463,430	463,430	7,160,831	6,788,968
Road network	88,715,754	88,545,456	-	-	88,715,754	88,545,456
Total	\$107,373,770	\$106,831,609	\$ 726,582	\$18,295,764	\$108,100,352	\$125,127,373

CITY OF SELMA**Managements Discussion and Analysis**

June 30, 2008

Long-term Debt. The City's long-term debt as of June 30, 2007 was \$27.7 million with governmental activities accounting for most debt. Total debt was reduced during the year by \$1 million in debt principal payments.

City of Selma
Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Special assessment debt with governmental commitment	\$ 5,925,000	\$ 5,510,000	\$ -	\$ -	\$ 5,925,000	\$ 5,510,000
Tax allocation bonds	3,350,000	3,655,000	-	-	3,350,000	3,655,000
Capital leases	1,084,475	1,247,806	89,366	183,634	1,142,649	1,431,440
Lease revenue bonds	-	5,935,000	-	-	-	5,935,000
Certificates of participation	565,000	795,612	-	29,388	565,000	825,000
Revenue bonds	8,320,000	9,875,000	-	-	8,320,000	9,875,000
Contracts payable	235,731	280,530	-	-	235,731	280,530
Total	\$ 19,480,206	\$ 27,298,948	\$ 89,366	\$ 213,022	\$ 19,538,380	\$ 27,511,970

The City issued no new debt this past year. This was Capital Leases for new and replacement vehicles for various City departments.

General obligation debt are direct obligations of the City and are backed by the full faith and credit of the City requiring voter approval, and may have a tax rate set to cover repayment. State statutes limit the amount of general obligation debt to 15% of the City's total assessed valuation. The City of Selma debt limit is \$131 million. The City currently has no general obligation debt outstanding.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of Selma finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Selma, 1710 Tucker Street, Selma, CA 93662.

Basic Financial Statements

CITY OF SELMA
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and investments	\$ 6,501,243	\$ 988,560	\$ 7,489,803
Cash with fiscal agent	1,660,596	--	1,660,596
Accounts receivables	299,639	787,139	1,086,778
Internal balances	40,000	(40,000)	--
Due from other agencies	668,637	69,810	738,447
Deposits	(86,206)	--	(86,206)
Inventories	59,274	2,252	61,526
Prepaid items	17,768	--	17,768
Allowance for bad debt	--	(339,673)	(339,673)
Fixed assets (net, where applicable, of accumulated depreciation)	55,700,496	218,946	55,919,442
Notes receivable	5,541,989	--	5,541,989
Total Assets	70,403,436	1,687,034	72,090,470
Liabilities:			
Cash deficit	3,557,217	270,808	3,828,025
Accounts payable	344,063	11,864	355,927
Accrued wages/benefits	231,615	38,208	269,823
Due to other agencies	149,996	3,257	153,253
Noncurrent liabilities:	--	--	--
Due within one year	1,306,895	--	1,306,895
Due in more than one year	18,768,628	174,541	18,943,169
Total Liabilities	24,358,414	498,678	24,857,092
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	46,801,124	115,795	46,916,919
Restricted For:			
Federal and State Programs	(97,464)	--	(97,464)
Debt Service	870,417	--	870,417
Capital Projects	5,325,883	--	5,325,883
Low-income housing	258,503	--	258,503
Unrestricted	(7,113,441)	1,072,561	(6,040,880)
Total Net Assets	\$ 46,045,022	\$ 1,188,356	\$ 47,233,378

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Expenditures:			
General government	\$ 1,988,126	\$ 291,675	\$ --
Public Safety	6,744,746	162,396	11,705
Public Works	1,825,678	279,486	--
Community Development	2,482,972	6,158	21,420
Recreation	556,741	70,053	13,408
Capital outlay	2,802,923	--	--
Debt service:	3,680,752	--	--
Total expenditures	<u>20,081,938</u>	<u>809,768</u>	<u>46,533</u>
Business-type Activities:			
Ambulance Service	1,405,236	1,815,007	--
RDA Selma Manufacturing Complex	4,281,579	576,910	--
Pioneer Village	66,863	23,672	75
Transit Service	344,729	27,344	310,555
Garbage Service	1,037,293	1,029,825	--
Cultural Arts	15,188	1,680	1,500
Total Business-type Activities	<u>7,150,888</u>	<u>3,474,438</u>	<u>312,130</u>
Total Primary Government	<u>\$ 27,232,826</u>	<u>\$ 4,284,206</u>	<u>\$ 358,663</u>

General Revenues:

Taxes
Licenses and permits
Intergovernmental
Charges for services
Fines
Franchise fees
Revenue for use of money & property
Miscellaneous

Transfers

Total General Revenues
Change in Net Assets

Net Assets - Beginning
Prior Period Adjustment
Net Assets - Ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,696,451)		\$ (1,696,451)
(6,570,645)		(6,570,645)
(1,546,192)		(1,546,192)
(2,455,394)		(2,455,394)
(473,280)		(473,280)
(2,802,923)		(2,802,923)
(3,680,752)		(3,680,752)
<u>(19,225,637)</u>		<u>(19,225,637)</u>
--	\$ 409,771	409,771
--	(3,704,669)	(3,704,669)
--	(43,116)	(43,116)
--	(6,830)	(6,830)
--	(7,468)	(7,468)
--	(12,008)	(12,008)
<u>--</u>	<u>(3,364,320)</u>	<u>(3,364,320)</u>
<u>(19,225,637)</u>	<u>(3,364,320)</u>	<u>(22,589,957)</u>
8,972,108	--	8,972,108
191,992	--	191,992
1,805,151	--	1,805,151
19,959	395	20,354
165,960	--	165,960
613,350	--	613,350
295,475	30,688	326,163
1,133,452	13,279	1,146,731
(46,558)	10,000	(36,558)
<u>13,150,889</u>	<u>54,362</u>	<u>13,205,251</u>
(6,008,064)	(3,309,958)	(9,318,022)
52,086,994	4,528,402	56,615,396
(33,908)	(30,088)	(63,996)
<u>\$ 46,045,022</u>	<u>\$ 1,188,356</u>	<u>\$ 47,233,378</u>

CITY OF SELMA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2008

	General Fund	Street Maintenance Fund	RDA General Debt Service
Assets:			
Cash and investments	\$ 13,018	\$ --	\$ --
Cash with fiscal agent	230,000	--	--
Accounts receivables	110,038	1,175	--
Due from other funds	40,000	--	--
Due from other agencies	168,175	--	35,000
Inventories	10,920	48,005	--
Prepaid items	14,840	--	--
Total Assets	<u>\$ 586,991</u>	<u>\$ 49,180</u>	<u>\$ 35,000</u>
Liabilities:			
Cash deficit	\$ 151,731	\$ 1,000,296	\$ 1,332,972
Accounts payable	62,219	31	--
Accrued wages/benefits	183,248	15,634	--
Due to other funds	1,300,000	--	--
Due to other agencies	--	--	137,034
Total Liabilities	<u>1,697,198</u>	<u>1,015,961</u>	<u>1,470,006</u>
Fund balances:			
Reserved fund balances:			
Reserved for debt service	--	--	(1,316,451)
Reserved for low-income housing	--	--	--
Reserved for capital projects	--	--	--
Reserved for federal and state programs	--	(938,704)	--
Unreserved	(1,110,207)	(28,077)	(118,555)
Unreserved, reported in nonmajor:			
Special revenue funds	--	--	--
Debt service funds	--	--	--
Capital projects funds	--	--	--
Total fund balances	<u>(1,110,207)</u>	<u>(966,781)</u>	<u>(1,435,006)</u>
Total Liabilities and Fund Balances	<u>\$ 586,991</u>	<u>\$ 49,180</u>	<u>\$ 35,000</u>

The accompanying notes are an integral part of this statement.

RDA Upright Debt Service	Developmental Impact Streets & Traffic	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 908,685	\$ 5,466,342	\$ 6,388,045
--	--	1,430,596	1,660,596
--	--	188,193	299,406
--	600,000	1,175,125	1,815,125
--	--	465,431	668,606
--	--	--	58,925
--	--	--	14,840
<u>\$ --</u>	<u>\$ 1,508,685</u>	<u>\$ 8,725,687</u>	<u>\$ 10,905,543</u>
\$ --	\$ --	\$ 1,069,214	\$ 3,554,213
--	--	74,763	137,013
--	--	27,881	226,763
--	--	475,125	1,775,125
--	--	12,962	149,996
<u>--</u>	<u>--</u>	<u>1,659,945</u>	<u>5,843,110</u>
--	--	2,343,503	1,027,052
--	--	258,503	258,503
--	1,508,685	3,091,056	4,599,741
--	--	853,635	(85,069)
--	--	--	(1,256,839)
--	--	(95,303)	(95,303)
--	--	(156,635)	(156,635)
--	--	770,983	770,983
<u>--</u>	<u>1,508,685</u>	<u>7,065,742</u>	<u>5,062,433</u>
<u>\$ --</u>	<u>\$ 1,508,685</u>	<u>\$ 8,725,687</u>	<u>\$ 10,905,543</u>

CITY OF SELMA
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2008**

Total fund balances - governmental funds balance sheet	\$ 5,062,433
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	55,700,496
Long-term receivables not in the funds	5,541,989
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	(184,373)
Payables for bond principal which are not due in the current period are not reported in the funds.	(18,160,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,084,474)
Payables for notes which are not due in the current period are not reported in the funds.	(235,731)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(595,318)
Net assets of governmental activities - statement of net assets	\$ <u>46,045,022</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Street Maintenance Fund	RDA General Debt Service
Revenue:			
Taxes	\$ 7,473,268	\$ --	\$ 1,056,610
Licenses and permits	300,539	2,440	--
Intergovernmental	148,443	--	--
Charges for services	402,738	100,293	--
Fines	15,158	--	--
Franchise fees	613,350	--	--
Revenue for use of money & property	115,778	(41,596)	(52,247)
Assessment payment	--	--	17,679
Miscellaneous	193,409	3,121	25,760
Total revenues	<u>9,262,683</u>	<u>64,258</u>	<u>1,047,802</u>
Expenditures:			
General government	1,774,855	--	--
Public Safety	6,544,497	--	--
Public Works	650,543	1,138,106	--
Community Development	1,005,865	--	519,930
Recreation	544,062	--	--
Capital outlay	113,568	135,877	--
Debt service:			
Principal	483,982	233,527	371,486
Interest and fiscal charges	157,459	171,084	119,771
Total expenditures	<u>11,274,831</u>	<u>1,678,594</u>	<u>1,011,187</u>
Excess (deficiency) of revenues over (under) expenditures	(2,012,148)	(1,614,336)	36,615
Other financing sources (uses):			
Operating transfers in	--	1,593,882	--
Operating transfers out	(47,230)	--	--
Total other financing sources (uses)	<u>(47,230)</u>	<u>1,593,882</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,059,378)	(20,454)	36,615
Fund balances/equity, July 1	949,171	(918,250)	(1,471,621)
Prior period adjustment	--	(28,077)	--
Fund balances/equity, June 30	<u>\$ (1,110,207)</u>	<u>\$ (966,781)</u>	<u>\$ (1,435,006)</u>

The accompanying notes are an integral part of this statement.

RDA Upright Debt Service	Developmental Impact Streets & Traffic	Other Governmental Funds	Total Governmental Funds
\$ --	\$ --	\$ 442,230	\$ 8,972,108
--	--	--	302,979
--	--	2,076,400	2,224,843
--	12,974	146,083	662,088
--	--	165,960	181,118
--	--	--	613,350
8,123,641	49,853	560,436	8,755,865
--	--	4,358,643	4,376,322
41,246	--	923,751	1,187,287
<u>8,164,887</u>	<u>62,827</u>	<u>8,673,503</u>	<u>27,275,960</u>
--	--	91,364	1,866,219
--	--	200,249	6,744,746
--	--	37,029	1,825,678
--	23,030	934,147	2,482,972
--	--	12,679	556,741
--	28,900	532,892	811,237
5,935,000	--	1,711,251	8,735,246
2,791,203	--	2,315,358	5,554,875
<u>8,726,203</u>	<u>51,930</u>	<u>5,834,969</u>	<u>28,577,714</u>
(561,316)	10,897	2,838,534	(1,301,754)
--	--	51,351	1,645,233
--	--	(1,644,561)	(1,691,791)
<u>--</u>	<u>--</u>	<u>(1,593,210)</u>	<u>(46,558)</u>
(561,316)	10,897	1,245,324	(1,348,312)
561,316	1,497,788	5,831,612	6,450,016
--	--	(11,194)	(39,271)
<u>\$ --</u>	<u>\$ 1,508,685</u>	<u>\$ 7,065,742</u>	<u>\$ 5,062,433</u>

CITY OF SELMA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds \$ (1,348,312)

Amounts reported for governmental activities in the statement of activities
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	345,285
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,336,971)
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(9,448,536)
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	6,902,377
The net revenue (expense) of internal service funds is reported with governmental activities.	(121,907)

Change in net assets of governmental activities - statement of activities \$ (6,008,064)

The accompanying notes are an integral part of this statement.

CITY OF SELMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Enterprise Fund	Enterprise Fund Selma Mfg. Complex RDA
	Ambulance Service	
Assets:		
Cash and investments	\$ 267,047	\$ 18,238
Accounts receivables	787,139	--
Due from other agencies	--	--
Deposits	--	--
Inventories	2,252	--
Prepaid items	--	--
Allowance for bad debts	(339,673)	--
Fixed assets (net, where applicable, of accumulated depreciation)	205,161	--
Total Assets	<u>\$ 921,926</u>	<u>\$ 18,238</u>
Liabilities:		
Cash deficit	\$ --	\$ --
Accounts payable	4,484	--
Accrued wages/benefits	98,250	--
Due to other funds	--	--
Due to other agencies	--	3,257
Leases payable	89,366	--
Total Liabilities	<u>192,100</u>	<u>3,257</u>
Net Assets:		
Unrestricted	729,826	14,981
Total net assets	<u>729,826</u>	<u>14,981</u>
Total Liabilities and Fund Balances	<u>\$ 921,926</u>	<u>\$ 18,238</u>

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 703,275	\$ 988,560	\$ --
--	787,139	233
69,810	69,810	31
--	--	(86,206)
--	2,252	349
--	--	2,928
--	(339,673)	--
13,785	218,946	--
<u>\$ 786,870</u>	<u>\$ 1,727,034</u>	<u>\$ (82,665)</u>
\$ 270,808	\$ 270,808	\$ --
7,380	11,864	96,856
25,133	123,383	4,852
40,000	40,000	--
--	3,257	--
--	89,366	--
<u>343,321</u>	<u>538,678</u>	<u>101,708</u>
443,549	1,188,356	(184,373)
<u>443,549</u>	<u>1,188,356</u>	<u>(184,373)</u>
<u>\$ 786,870</u>	<u>\$ 1,727,034</u>	<u>\$ (82,665)</u>

CITY OF SELMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Fund	Enterprise Fund Selma Mfg. Complex RDA
Operating Revenues:		
Taxes	\$ --	\$ --
Charges for services	1,768,416	--
Intergovernmental	--	--
Revenue for use of money & property	8,782	12,269
Miscellaneous	46,591	577,910
Total Operating Revenues	<u>1,823,789</u>	<u>590,179</u>
Operating Expenses:		
Personal services - salaries and wages	754,432	--
Personal services - employee benefits	325,080	--
Purchased professional and technical services	54,979	30,174
Other internal services	219,553	289,587
Depreciation	14,949	--
Capital outlay	36,243	3,961,818
Total Operating Expenses	<u>1,405,236</u>	<u>4,281,579</u>
Operating Income (Loss)	<u>418,553</u>	<u>(3,691,400)</u>
Transfers:		
Interfund operating transfers in	--	--
Interfund operating transfers out	--	--
Total transfers	<u>--</u>	<u>--</u>
Net income	418,553	(3,691,400)
Retained earnings/fund balances, July 1	311,273	3,723,594
Prior Period Adjustment	--	(17,213)
Retained earnings/fund balances, June 30	<u>\$ 729,826</u>	<u>\$ 14,981</u>

The accompanying notes are an integral part of this statement.

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 1,029,825	\$ 1,029,825	\$ --
395	1,768,811	3,548,456
337,899	337,899	--
32,912	53,963	--
15,931	640,432	79,363
<u>1,416,962</u>	<u>3,830,930</u>	<u>3,627,819</u>
208,029	962,461	179,337
107,603	432,683	77,832
1,094,286	1,179,439	262,131
48,051	557,191	3,141,681
6,104	21,053	--
--	3,998,061	88,745
<u>1,464,073</u>	<u>7,150,888</u>	<u>3,749,726</u>
<u>(47,111)</u>	<u>(3,319,958)</u>	<u>(121,907)</u>
10,000	10,000	--
--	--	--
<u>10,000</u>	<u>10,000</u>	<u>--</u>
(37,111)	(3,309,958)	(121,907)
493,535	4,528,402	(67,829)
(12,875)	(30,088)	5,363
<u>\$ 443,549</u>	<u>\$ 1,188,356</u>	<u>\$ (184,373)</u>

CITY OF SELMA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Funds		
	Ambulance Service	Selma Mfgr Complex	Nonmajor Ent. Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$ 1,560,935	\$ 590,179	\$ 1,480,514
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	--	--	10,000
Cash Payments to Employees for Services	(1,059,656)	--	(311,074)
Cash Payments to Other Suppliers for Goods and Services	(311,771)	(1,247,572)	(1,137,661)
Cash Payments for Grants to Other Organizations	--	--	--
Other Operating Cash Receipts (Payments)	--	--	--
Net Cash Provided (Used) by Operating Activities	189,508	(657,393)	41,779
Cash Flows from Capital and Related Financing Activities:			
Principal and Interest Paid	(77,530)	--	--
Acquisition or Construction of Capital Assets	(46,591)	--	--
Net Cash Provided (Used) for Capital & Related Financing Activities	(124,121)	--	--
Net Increase (Decrease) in Cash and Cash Equivalents	65,387	(657,393)	41,779
Cash and Cash Equivalents at Beginning of Year	201,660	675,631	390,689
Cash and Cash Equivalents at End of Year	\$ 267,047	\$ 18,238	\$ 432,468
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	\$ 418,554	(3,691,400)	(37,111)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	14,949	--	6,104
Loss on asset disposal	--	2,846,416	--
Prior period adjustments	--	(17,213)	(12,875)
Change in Assets and Liabilities:			
Decrease (Increase) in Receivables	(262,861)	229,919	74,534
Decrease (Increase) in Inventories	(2,321)	--	--
Increase (Decrease) in Accounts Payable	1,331	(18,550)	11,127
Increase (Decrease) in Accrued Wages Payable	19,856	--	--
Increase (Decrease) in Due to Other Governments	--	(6,565)	--
Total Adjustments	(229,046)	3,034,007	78,890
Net Cash Provided (Used) by Operating Activities	\$ 189,508	\$ (657,393)	\$ 41,779

The accompanying notes are an integral part of this statement.

<u>Totals</u>	
\$	3,631,628
	10,000
	(1,370,730)
	(2,697,004)
	--
	<u>(426,106)</u>
	(77,530)
	(46,591)
	<u>(124,121)</u>
	(550,227)
	1,267,980
\$	<u>717,753</u>
\$	(3,309,957)
	21,053
	(30,088)
	41,592
	(2,321)
	(6,092)
	19,856
	(6,565)
	<u>2,883,851</u>
\$	<u>(426,106)</u>

CITY OF SELMA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2008

	Agency Funds
Assets:	
Cash and investments	\$ 113,198
Total Assets	<u>\$ 113,198</u>
Liabilities:	
Cash deficit	\$ 3,004
Accounts payable	110,194
Total Liabilities	<u>113,198</u>
Net Assets:	
Total net assets	<u>\$ --</u>

The accompanying notes are an integral part of this statement.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

A. Summary of Significant Accounting Policies

The combined financial statements of City of Selma (the "City") have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City
- the exclusion of the organization would result in misleading or incomplete financial statements

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in financial statements which are misleading or incomplete. GASB Statement No. 14 requires inclusion of such an organization as a component unit when: 1) The economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) The City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) Such economic resources are significant to the City.

The City is a general law city and as such draws its authority from the constitution and laws of the State of California. The City has a council/manager form of government and is governed by a five member elected council. The City Manager is appointed by the City Council. The City provides the following services: police and fire protection, ambulance, transit, street construction and maintenance, planning and zoning, and general administrative services.

The City's financial statements include the operations of all organizations for which the City Council exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

(a) Blended Component Units

Based on the aforementioned oversight criteria, the operations of the Selma Redevelopment Agency (Agency), Selma Economic Development Corporation (Development Corporation), Selma Community Enhancement Corporation (Enhancement Corporation), and Selma Public Financing Authority (Authority) have been blended into the accompanying financial statements. Members of the City Council, as well as City administrative personnel make up a significant portion of the governing bodies.

The Authority's specific and primary purpose is to provide financial assistance to the City of Selma and other agencies by acquiring qualified obligations which were issued for the acquisition, construction, and improvement of public facilities and property. The Agency was formed in order to maintain and revitalize the Selma redevelopment project area. The Development Corporation was formed in order to promote economic growth within the jurisdictional limits of the City of Selma. The Enhancement Corporation was formed in order to enable citizens and organizations to make tax-exempt donations that aid other citizens and organizations, and assist the City in development of services within the community.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund. This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Street Maintenance fund. This is the fund that accounts for the maintenance of the City's streets and alleyways.

Debt Service funds. These are the funds that are used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

The City reports the following major enterprise funds:

Ambulance fund. This is the fund that accounts for the operations of the ambulance service provided by the City.

In addition, the City reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Agency Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or agent capacity and are therefore not available to support City programs, these funds are not included in the government-wide statements.

b. Measurement Focus, Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen not to apply future FASB standards.

3. Financial Statement Amounts

a. Cash and Cash Equivalents

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

b. Property Taxes

Taxes are payable in two installments on November 1 and March 1. They become delinquent on December 10 and April 10 respectively. The lien date is January 1 of each year. Unsecured property taxes are payable in one installment on or before August 31. The County of Fresno bills and collects the taxes for the City.

On October 12, 1993, the Fresno County Board of Supervisors voted to adopt an alternate method of property tax apportionment known as the Teeter Plan. The method applies to current secured, and supplemental, but not to unsecured. The basic concept of the Teeter Plan is that the County apportion taxing agencies 100% of their levy (adjusted for roll changes) with the County owning the delinquent receivables. The County will apportion the current secured and unitary into a revenue account in three installments. The first 50% was apportioned December 15, the balance will be apportioned by April 15, and June 15 at 45% and 5% respectively.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at weighted average cost. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15

e. Receivable and Payable Balances

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

g. Interfund Activity

Interfund activity results from loans, services provided, reimbursements or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

h. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
None reported	Not applicable	Not applicable

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

Cash Deposits:

At June 30, 2008, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$7,489,803 and the bank balance was \$7,489,803. The City's cash deposits at June 30, 2008 and during the year ended June 30, 2008, were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Analysis of Specific Deposit and Investment Risks:

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

b. Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Local Agency Investment Fund (LAIF)

The City participates in an external investment pool, as defined by Government Accounting Standards Board (GASB) Statement No. 31, by way of its funds on deposit in the Local Agency Investment Fund (LAIF), managed by the State of California. These funds are pooled with those of other agencies in the state and invested in accordance with state guidelines. Substantially all information required for the GASB Statement No. 31 disclosure was unavailable at the time these financial statements were prepared. The balance of \$1,549,357 approximates the fair value. Investment gains and losses are shared proportionately by all members of LAIF and paid quarterly to each member. Investment in LAIF is not subject to risk categorization.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

D. Notes receivable

The Agency had the following receivables outstanding at June 30, 2008:

Gustavo Oscar Chavez, \$15,270 installment promissory note dated 12/20/95, secured by Deed of Trust, due in monthly installments with interest at 7%, due March 19, 2001, this note is in default.	\$ 13,305
Centerstage Partners, \$407,000 installment promissory note dated August 21, 1997, secured by Deed of Trust, due in monthly installments with interest at 8.5%, due on June 1, 2018.	296,774
Secure Storage, \$444,000 installment promissory note dated with varying dates, secured by Deed of Trust, due in quarterly installments with interest at 5.5%	358,411
Glacier Air, \$103,850 installment promissory note dated May 4, 2005 secured by Deed of Trust, due in quarterly installments with interest at 5% due in January 2020.	88,526
Selma Pallet, \$220,000 installment promissory note dated November 8, 2006, secured by Deed of Trust, due in quarterly installments with interest at 5.5% due in September 2023.	195,973
	<u>\$ 952,989</u>

E. Amounts to be provided by special assessments

The City established the following assessment districts in order to fund improvements within the City of Selma. The property owners within the districts are responsible for the following at June 30, 2007:

Assessment District No. 1991-2 Improvement Bonds - Highland	\$ 1,112,000
Assessment District No. 1992-1 Improvement Bonds - Dancer II	250,000
Assessment District No. 1992-1 Supplemental Improvement Bonds - Dancer III	235,000
Assessment District No. 1992-1 Third Supplemental Improvement Bonds - Pea Soup Andersen	1,831,000
Assessment District No. 1993-1 Improvement Bonds - Vineyard	475,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Stillman	251,000
Assessment District No. 1991-2 Supplemental Improvement Bonds - Watermain	230,000
Assessment District No. 1997-1 - Theater	205,000
	<u>\$ 4,589,000</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

F. Capital Assets

Capital asset activity for the year ended June 30, 2008, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,790,302	\$ --	\$ --	\$ 7,790,302
Total capital assets not being depreciated	<u>7,790,302</u>	<u>--</u>	<u>--</u>	<u>7,790,302</u>
Capital assets being depreciated:				
Roads and other infrastructure	88,612,399	103,355	--	88,715,754
Buildings and improvements	4,170,313	--	--	4,170,313
Equipment	6,376,406	320,995	--	6,697,401
Total capital assets being depreciated	<u>99,159,118</u>	<u>424,350</u>	<u>--</u>	<u>99,583,468</u>
Less accumulated depreciation for:				
Roads and other infrastructure	(44,526,450)	(1,823,520)	--	(46,349,970)
Buildings and improvements	(2,338,199)	(129,680)	--	(2,467,879)
Equipment	(2,492,917)	(362,508)	--	(2,855,425)
Total accumulated depreciation	<u>(49,357,566)</u>	<u>(2,315,708)</u>	<u>--</u>	<u>(51,673,274)</u>
Total capital assets being depreciated, net	<u>49,801,552</u>	<u>(1,891,358)</u>	<u>--</u>	<u>47,910,194</u>
Governmental activities capital assets, net	<u>\$ 57,591,854</u>	<u>\$ (1,891,358)</u>	<u>\$ --</u>	<u>\$ 55,700,496</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,560,000	\$ --	\$ 1,560,000	\$ --
Construction in progress	--	--	--	--
Total capital assets not being depreciated	<u>1,560,000</u>	<u>--</u>	<u>1,560,000</u>	<u>--</u>
Capital assets being depreciated:				
Buildings and improvements	16,272,334	--	16,009,182	263,152
Equipment	463,430	--	--	463,430
Vehicles	--	--	--	--
Total capital assets being depreciated	<u>16,735,764</u>	<u>--</u>	<u>16,009,182</u>	<u>726,582</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,966,029)	(6,104)	(14,722,766)	(249,367)
Equipment	(289,911)	(12,620)	--	(302,531)
Vehicles	--	--	--	--
Total accumulated depreciation	<u>(15,255,940)</u>	<u>(18,724)</u>	<u>(14,722,766)</u>	<u>(551,898)</u>
Total capital assets being depreciated, net	<u>1,479,824</u>	<u>(18,724)</u>	<u>1,286,416</u>	<u>174,684</u>
Business-type activities capital assets, net	<u>\$ 3,039,824</u>	<u>\$ (18,724)</u>	<u>\$ 2,846,416</u>	<u>\$ 174,684</u>
Depreciation was charged to functions as follows:				
General Government	\$ 175,495			
Public Protection:				
Fire Protection	74,377			
Police	136,168			
Public Ways and Facilities, Including				
Depreciation of General Infrastructure Assets	1,950,931			
Pioneer Village	6,104			
Ambulance Service	12,620			
	<u>\$ 2,355,695</u>			

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

G. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2008, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Cultural Arts Fund	\$ 40,000	Short-term loans
Development Impact Fund	Northeast Specific Plan	450,000	Short-term loans
Park & Rec. Impact Fund	Prop. 40 Parks Grant	25,125	Capital projects expenditures
Other Governmental Funds	General Fund	1,300,000	Short-term loans
	Total	<u>\$ 1,815,125</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2008, consisted of the following:

Transfers From	Transfers To	Amount	Reason
Other Governmental Funds	Street Maintenance Fund	\$ 1,293,382	Supplement other funds sources
General fund	Street Maintenance Fund	300,000	Supplement other funds sources
Other Governmental Funds	General Fund	97,909	Reimburse expenditures
	Total	<u>\$ 1,691,291</u>	

H. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2008, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Revenue bonds-Authority	\$ 22,325,612	\$ --	\$ 7,515,612	\$ 14,810,000	1,205,000
Revenue bonds-Agency	3,390,000	--	40,000	3,350,000	40,000
Notes	280,530	--	44,799	235,731	--
Capital leases	1,247,806	--	163,331	1,084,475	61,895
Compensated absences *	802,642	--	207,324	595,318	--
Total governmental activities	<u>\$ 28,046,590</u>	<u>\$ --</u>	<u>\$ 7,971,066</u>	<u>\$ 20,075,524</u>	<u>\$ 1,306,895</u>
Business-type activities:					
General obligation bonds	\$ 29,388	\$ --	\$ 29,388	--	--
Capital leases	137,508	--	48,142	89,366	50,000
Compensated absences *	72,425	12,751	--	85,176	--
Total business-type activities	<u>\$ 239,321</u>	<u>\$ 12,751</u>	<u>\$ 77,530</u>	<u>\$ 174,542</u>	<u>\$ 50,000</u>

* Other long-term liabilities

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Revenue Bonds

A summary of changes in bonds payable of the Authority for the year ended June 30, 2008 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2006	Issued	Retired	Outstanding June 30, 2007
1993-C	3.75% - 7.25%	7,325,000 \$	25,000	-- \$	25,000 \$	--
1994	4% - 7.25%	11,570,000	1,850,000	--	100,000	1,750,000
1994-C	7% - 11%	7,550,000	5,935,000	--	5,935,000	--
99 COP	6% - 6.15%	2,300,000	825,000	--	260,000	565,000
1999-A	4.5% - 5.85%	8,110,000	5,480,612	--	690,612	4,790,000
2001-A	variable	6,850,000	6,300,000	--	375,000	5,925,000
2004-A/B	variable	2,515,000	1,910,000	--	130,000	1,780,000
		<u>\$ 46,220,000</u>	<u>\$ 22,325,612</u>	<u>-- \$</u>	<u>7,515,612 \$</u>	<u>14,810,000</u>

A summary of changes in bonds payable of the enterprise fund for the year ended June 30, 2008 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2006	Issued	Retired	Outstanding June 30, 2007
1999-A	4.5% - 5.85%	230,800	29,388	--	29,388	--
		<u>\$ 230,800</u>	<u>\$ 29,388</u>	<u>-- \$</u>	<u>29,388 \$</u>	<u>--</u>

A summary of changes in bonds payable of the Agency for the year ended June 30, 2008 is as follows:

Description	Interest Rate Payable	Amount Original Issue	Outstanding June 30, 2005	Issued	Retired	Outstanding June 30, 2006
1994	7.25% \$	320,000 \$	265,000 \$	-- \$	265,000 \$	--
Industrial Park	5%	3,561,890	3,390,000	--	40,000	3,350,000
		<u>\$ 3,881,890</u>	<u>\$ 3,655,000</u>	<u>--</u>	<u>\$ 305,000</u>	<u>\$ 3,350,000</u>

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

2. Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2008, are as follows:

Year Ending June 30,	Authority		
	Governmental Activities		Total
	Principal	Interest	
2009	\$ 1,205,000	\$ 1,276,091	\$ 2,481,091
2010	1,230,000	1,174,609	2,404,609
201	995,000	1,064,787	2,059,787
2012	1,045,000	956,528	2,001,528
2014	995,000	848,571	1,843,571
2015-2018	5,420,000	2,542,274	7,962,274
2019-2023	3,615,000	922,408	4,537,408
2024-2028	305,000	60,850	365,850
2029-2033	--	--	--
Totals	\$ 14,810,000	\$ 8,846,118	\$ 23,656,118

Year Ending June 30,	Agency		
	Governmental Activities		Total
	Principal	Interest	
2009	\$ 40,000	\$ 166,500	\$ 206,500
2010	40,000	164,500	204,500
201	45,000	162,375	207,375
2012	45,000	160,125	205,125
2014	50,000	157,750	207,750
2015-2018	280,000	748,750	1,028,750
2019-2023	360,000	669,250	1,029,250
2024-2028	475,000	565,625	1,040,625
2029-2033	600,000	431,250	1,031,250
2034-2038	770,000	261,250	1,031,250
2039-2043	645,000	53,375	698,375
Totals	\$ 3,350,000	\$ 3,540,750	\$ 6,890,750

3. Capital Leases

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of June 30, 2008, as follows:

Year Ending June 30:	
2009	\$ 237,587
2010	237,587
201	190,842
2012	190,842
2014	190,842
2015-2018	850,000
Total Minimum Rentals	1,897,700
Interest amount	844,417
Principal amount	\$ 1,053,283

4. Notes Payable

The outstanding notes payable of the City of Selma at June 30, 2008 are as follows:

Selma Health Care District	\$ 109,898
Wal-Mart	125,833
	\$ 235,731

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

Debt Service Requirements

Debt service requirements on notes payable of the City at June 30, 2008, are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2009	\$ 47,187	\$ 18,831	\$ 66,018
2010	49,147	15,922	65,069
201	51,047	14,670	65,717
2012	53,247	13,321	66,568
2014	35,103	6,225	41,328
Totals	\$ 235,731	\$ 68,969	\$ 304,700

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General fund
Claims and judgments	Governmental	General fund
Compensated absences	Business-type	Ambulance fund

I. Risk Management

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$350,000 of each worker's compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which among other expenses, charges the City's account for liability losses under \$25,000 and workers' compensation losses under \$50,000. The CSJVRMA participates in an excess pool which provides general liability coverage from \$1,000,000 to \$10,000,000 and purchases excess reinsurance from \$10,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides workers' compensation coverage from \$350,000 to \$500,000 and purchases excess reinsurance above \$500,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-five (55) cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. The CSJVRMA is governed by a Board of Directors, which meets three times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with its governing documents.

J. Pension Plan

The City contributes to an employer pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

CITY OF SELMA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2008

K. Commitments and Contingencies

1. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

No reportable litigation was pending against the City at June 30, 2008.

Required Supplementary Information

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board but not considered a part of the basic financial statements.

CITY OF SELMA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Taxes	\$ 8,100,000	\$ 8,100,000	\$ 7,473,268	\$ (626,732)
Licenses and permits	944,700	944,700	300,539	(644,161)
Intergovernmental	229,936	229,936	148,443	(81,493)
Charges for services	760,698	760,698	402,738	(357,960)
Fines	10,000	10,000	15,158	5,158
Franchise fees	594,900	594,900	613,350	18,450
Revenue for use of money & property	119,565	119,565	115,778	(3,787)
Miscellaneous	131,275	131,275	193,409	62,134
Total revenues	<u>10,891,074</u>	<u>10,891,074</u>	<u>9,262,683</u>	<u>(1,628,391)</u>
Expenditures:				
General government	1,714,435	1,773,715	1,774,855	(1,140)
Public Safety	6,372,615	6,428,530	6,544,497	(115,967)
Public Works	815,632	831,267	650,543	180,724
Community Development	823,318	838,294	1,005,865	(167,571)
Recreation	570,358	579,626	544,062	35,564
Capital outlay	40,800	122,800	113,568	9,232
Debt service:				
Principal	304,800	304,800	483,982	(179,182)
Interest and fiscal charges	242,651	242,651	157,459	85,192
Total expenditures	<u>10,641,958</u>	<u>11,121,683</u>	<u>11,274,831</u>	<u>(153,148)</u>
Excess (deficiency) of revenues over (under) expenditures	249,116	(230,609)	(2,012,148)	(1,781,539)
Other financing sources (uses):				
Operating transfers out	(243,000)	(243,000)	(47,230)	195,770
Total other financing sources (uses)	<u>(243,000)</u>	<u>(243,000)</u>	<u>(47,230)</u>	<u>195,770</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	6,116	(473,609)	(2,059,378)	(1,585,769)
Fund balances/equity, July 1	949,171	949,171	949,171	--
Fund balances/equity, June 30	<u>\$ 955,287</u>	<u>\$ 475,562</u>	<u>\$ (1,110,207)</u>	<u>\$ (1,585,769)</u>

CITY OF SELMA
STREET MAINTENANCE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2008

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Licenses and permits	\$ 1,750	\$ 3,250	\$ 2,440	\$ (810)
Charges for services	98,500	98,500	100,293	1,793
Revenue for use of money & property	(20,000)	(35,000)	(41,596)	(6,596)
Miscellaneous	--	3,200	3,121	(79)
Total revenues	80,250	69,950	64,258	64,258
Expenditures:				
Public Works	1,272,490	1,286,439	1,138,106	148,333
Capital outlay	95,212	95,212	135,877	(40,665)
Debt service:				
Principal	175,000	175,000	233,527	(58,527)
Interest and fiscal charges	229,611	229,611	171,084	58,527
Total expenditures	1,772,313	1,786,262	1,678,594	107,668
Excess (deficiency) of revenues over (under) expenditures	(1,692,063)	(1,716,312)	(1,614,336)	(43,410)
Other financing sources (uses):				
Operating transfers in	1,362,000	1,362,000	1,593,882	231,882
Total other financing sources (uses)	1,362,000	1,362,000	1,593,882	231,882
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(330,063)	(354,312)	(20,454)	188,472
Fund balances/equity, July 1	(918,250)	(918,250)	(918,250)	--
Prior period adjustment	(28,077)	(28,077)	(28,077)	--
Fund balances/equity, June 30	\$ (1,276,390)	\$ (1,300,639)	\$ (966,781)	\$ 188,472

Combining Statements and Budget Comparisons as Supplementary Information

This supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
Assets:				
Cash and investments	\$ 606,786	\$ 933,690	\$ 3,925,866	\$ 5,466,342
Cash with fiscal agent	--	1,430,596	--	1,430,596
Accounts receivables	25,125	--	163,068	188,193
Due from other funds	--	--	1,175,125	1,175,125
Due from other agencies	474,511	(9,080)	--	465,431
Total Assets	\$ 1,106,422	\$ 2,355,206	\$ 5,264,059	\$ 8,725,687
Liabilities:				
Cash deficit	\$ 229,270	\$ 165,172	\$ 674,772	\$ 1,069,214
Accounts payable	3,910	3,166	67,687	74,763
Accrued wages/benefits	6,877	--	21,004	27,881
Due to other funds	25,125	--	450,000	475,125
Due to other agencies	--	--	12,962	12,962
Total Liabilities	265,182	168,338	1,226,425	1,659,945
Fund balances:				
Reserved fund balances:				
Reserved for debt service	--	2,343,503	--	2,343,503
Reserved for low-income housing	--	--	258,503	258,503
Reserved for capital projects	82,908	--	3,008,148	3,091,056
Reserved for federal and state programs	853,635	--	--	853,635
Unreserved, reported in nonmajor:				
Special revenue funds	(95,303)	--	--	(95,303)
Debt service funds	--	(156,635)	--	(156,635)
Capital projects funds	--	--	770,983	770,983
Total fund balances	841,240	2,186,868	4,037,634	7,065,742
Total Liabilities and Fund Balances	\$ 1,106,422	\$ 2,355,206	\$ 5,264,059	\$ 8,725,687

CITY OF SELMA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:				
Taxes	\$ 178,078	\$ --	\$ 264,152	\$ 442,230
Intergovernmental	2,076,400	--	--	2,076,400
Charges for services	57,958	--	88,125	146,083
Fines	165,960	--	--	165,960
Revenue for use of money & property	(6,950)	425,332	142,054	560,436
Assessment payment	--	4,047,257	311,386	4,358,643
Miscellaneous	220,181	5,988	697,582	923,751
Total revenues	<u>2,691,627</u>	<u>4,478,577</u>	<u>1,503,299</u>	<u>8,673,503</u>
Expenditures:				
General government	73,133	17,810	421	91,364
Public Safety	200,249	--	--	200,249
Public Works	36,944	--	85	37,029
Community Development	235,236	1,566	697,345	934,147
Recreation	12,679	--	--	12,679
Capital outlay	52,811	--	480,081	532,892
Debt service:				
Principal	--	1,654,246	57,005	1,711,251
Interest and fiscal charges	--	2,312,408	2,950	2,315,358
Total expenditures	<u>611,052</u>	<u>3,986,030</u>	<u>1,237,887</u>	<u>5,834,969</u>
Excess (deficiency) of revenues over (under) expenditur	2,080,575	492,547	265,412	2,838,534
Other financing sources (uses):				
Operating transfers in	5,000	46,351	--	51,351
Operating transfers out	(1,575,671)	--	(68,890)	(1,644,561)
Total other financing sources (uses)	<u>(1,570,671)</u>	<u>46,351</u>	<u>(68,890)</u>	<u>(1,593,210)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	509,904	538,898	196,522	1,245,324
Fund balances/equity, July 1	343,731	1,647,970	3,839,911	5,831,612
Prior period adjustment	(12,395)	--	1,201	(11,194)
Fund balances/equity, June 30	<u>\$ 841,240</u>	<u>\$ 2,186,868</u>	<u>\$ 4,037,634</u>	<u>\$ 7,065,742</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Assets:				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivables	--	--	--	--
Due from other agencies	25,779	141,544	5,286	11,709
Total Assets	<u>\$ 25,779</u>	<u>\$ 141,544</u>	<u>\$ 5,286</u>	<u>\$ 11,709</u>
Liabilities:				
Cash deficit	\$ --	\$ 141,544	\$ --	\$ 11,709
Accounts payable	--	656	--	--
Accrued wages/benefits	--	2,796	--	951
Due to other funds	--	--	--	--
Total Liabilities	<u>--</u>	<u>144,996</u>	<u>--</u>	<u>12,660</u>
Fund balances:				
Reserved fund balances:				
Reserved for capital projects	--	--	--	--
Reserved for federal and state programs	25,779	(3,452)	5,286	(951)
Unreserved, reported in nonmajor:				
Special revenue funds	--	--	--	--
Total fund balances	<u>25,779</u>	<u>(3,452)</u>	<u>5,286</u>	<u>(951)</u>
Total Liabilities and Fund Balances	<u>\$ 25,779</u>	<u>\$ 141,544</u>	<u>\$ 5,286</u>	<u>\$ 11,709</u>

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	211 Street Gas Tax	214 Street Measure "C"	215 Proposition 1B Fund
\$ 57,655	\$ 13,319	\$ --	\$ --	\$ 400,000
--	--	--	--	--
--	--	135,851	40,425	--
<u>\$ 57,655</u>	<u>\$ 13,319</u>	<u>\$ 135,851</u>	<u>\$ 40,425</u>	<u>\$ 400,000</u>
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	1,730	--	--	--
--	--	--	--	--
<u>--</u>	<u>1,730</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--	--
57,655	11,589	135,851	40,425	400,000
--	--	--	--	--
<u>57,655</u>	<u>11,589</u>	<u>135,851</u>	<u>40,425</u>	<u>400,000</u>
<u>\$ 57,655</u>	<u>\$ 13,319</u>	<u>\$ 135,851</u>	<u>\$ 40,425</u>	<u>\$ 400,000</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	220 Landscape and Lighting Assesement	228 Abandoned Vehicle Abatement	230 CDBG Grant	232 Recycling Grant
Assets:				
Cash and investments	\$ --	\$ 14,132	\$ --	\$ 22,136
Accounts receivables	--	--	--	--
Due from other agencies	--	--	8,898	--
Total Assets	<u>\$ --</u>	<u>\$ 14,132</u>	<u>\$ 8,898</u>	<u>\$ 22,136</u>
Liabilities:				
Cash deficit	\$ 8,698	\$ --	\$ 8,898	\$ --
Accounts payable	--	--	--	--
Accrued wages/benefits	--	--	--	--
Due to other funds	--	--	--	--
Total Liabilities	<u>8,698</u>	<u>--</u>	<u>8,898</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for capital projects	--	--	--	--
Reserved for federal and state programs	3,697	14,132	--	22,136
Unreserved, reported in nonmajor:				
Special revenue funds	(12,395)	--	--	--
Total fund balances	<u>(8,698)</u>	<u>14,132</u>	<u>--</u>	<u>22,136</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 14,132</u>	<u>\$ 8,898</u>	<u>\$ 22,136</u>

234 Weed & Seed Grant	236 Healthy Cities Grant	238 T-21 Project Grant	242 Traffic Grant	243 Proposition 40 Parks Grant
\$ 3,254	\$ 16,175	\$ --	\$ --	\$ --
--	--	--	--	25,125
--	--	8,616	23,831	--
<u>\$ 3,254</u>	<u>\$ 16,175</u>	<u>\$ 8,616</u>	<u>\$ 23,831</u>	<u>\$ 25,125</u>
\$ --	\$ --	\$ 21,507	\$ 23,692	\$ --
3,254	--	--	--	--
--	--	--	1,400	--
--	--	--	--	25,125
<u>3,254</u>	<u>--</u>	<u>21,507</u>	<u>25,092</u>	<u>25,125</u>
--	--	82,908	--	--
--	16,175	(12,891)	(1,261)	--
--	--	(82,908)	--	--
--	<u>16,175</u>	<u>(12,891)</u>	<u>(1,261)</u>	--
<u>\$ 3,254</u>	<u>\$ 16,175</u>	<u>\$ 8,616</u>	<u>\$ 23,831</u>	<u>\$ 25,125</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	244 ABC Grant	247 Homeland Security Fire Grant
Assets:		
Cash and investments	\$ --	\$ --
Accounts receivables	--	--
Due from other agencies	2,008	9,887
Total Assets	<u>\$ 2,008</u>	<u>\$ 9,887</u>
Liabilities:		
Cash deficit	\$ 2,008	\$ 9,887
Accounts payable	--	--
Accrued wages/benefits	--	--
Due to other funds	--	--
Total Liabilities	<u>2,008</u>	<u>9,887</u>
Fund balances:		
Reserved fund balances:		
Reserved for capital projects	--	--
Reserved for federal and state programs	--	--
Unreserved, reported in nonmajor:		
Special revenue funds	--	--
Total fund balances	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balances	<u>\$ 2,008</u>	<u>\$ 9,887</u>

248 Small Business Support Center	252 DOJ Brynes Grant	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 1,014	\$ --	\$ 79,101	\$ 606,786
--	--	--	25,125
--	1,327	59,350	474,511
<u>\$ 1,014</u>	<u>\$ 1,327</u>	<u>\$ 138,451</u>	<u>\$ 1,106,422</u>
\$ --	\$ 1,327	\$ --	\$ 229,270
--	--	--	3,910
--	--	--	6,877
--	--	--	25,125
<u>--</u>	<u>1,327</u>	<u>--</u>	<u>265,182</u>
--	--	--	82,908
1,014	--	138,451	853,635
--	--	--	(95,303)
<u>1,014</u>	<u>--</u>	<u>138,451</u>	<u>841,240</u>
<u>\$ 1,014</u>	<u>\$ 1,327</u>	<u>\$ 138,451</u>	<u>\$ 1,106,422</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	201	202	204	205
	Traffic Safety	Redevelopment Administration	Public Safety	Redevelopment Housing Administration
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	42,742	--
Charges for services	--	--	--	--
Fines	165,960	--	--	--
Revenue for use of money & property	--	(5,943)	--	(471)
Miscellaneous	--	175,396	--	42,786
Total revenues	<u>165,960</u>	<u>169,453</u>	<u>42,742</u>	<u>42,315</u>
Expenditures:				
General government	--	52,691	--	--
Public Safety	--	--	--	--
Public Works	--	--	--	--
Community Development	--	117,934	--	42,547
Recreation	--	--	--	--
Capital outlay	--	--	--	--
Total expenditures	<u>--</u>	<u>170,625</u>	<u>--</u>	<u>42,547</u>
Excess (deficiency) of revenues over (under) expenditu	165,960	(1,172)	42,742	(232)
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Operating transfers out	(155,974)	--	(42,906)	--
Total other financing sources (uses)	<u>(155,974)</u>	<u>--</u>	<u>(42,906)</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	9,986	(1,172)	(164)	(232)
Fund balances/equity, July 1	15,793	(2,280)	5,450	(719)
Prior period adjustment	--	--	--	--
Fund balances/equity, June 30	<u>\$ 25,779</u>	<u>\$ (3,452)</u>	<u>\$ 5,286</u>	<u>\$ (951)</u>

207 Traffic Congestion Relief Grant	209 AB 1913 Grant	211 Street Gas Tax	213 Street LTF	214 Street Measure "C"
\$ --	\$ --	\$ --	\$ --	\$ --
--	100,000	403,442	456,317	507,771
--	--	--	--	--
--	--	--	--	--
2,161	1,269	1,333	1,900	3,911
--	--	--	--	800
<u>2,161</u>	<u>101,269</u>	<u>404,775</u>	<u>458,217</u>	<u>512,482</u>
--	--	--	--	800
--	86,471	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	34,204	--	--	--
<u>--</u>	<u>120,675</u>	<u>--</u>	<u>--</u>	<u>800</u>
2,161	(19,406)	404,775	458,217	511,682
--	--	--	--	--
--	--	(309,863)	(566,710)	(500,218)
<u>--</u>	<u>--</u>	<u>(309,863)</u>	<u>(566,710)</u>	<u>(500,218)</u>
2,161	(19,406)	94,912	(108,493)	11,464
55,494	30,995	40,939	108,493	28,961
--	--	--	--	--
<u>\$ 57,655</u>	<u>\$ 11,589</u>	<u>\$ 135,851</u>	<u>\$ --</u>	<u>\$ 40,425</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	215 Proposition 1B Fund	220 Landscape and Lighting Assesment	228 Abandoned Vehicle Abatement	232 Recycling Grant
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Intergovernmental	400,000	--	21,947	6,094
Charges for services	--	57,958	--	--
Fines	--	--	--	--
Revenue for use of money & property	--	--	698	840
Miscellaneous	--	--	--	--
Total revenues	<u>400,000</u>	<u>57,958</u>	<u>22,645</u>	<u>6,934</u>
Expenditures:				
General government	--	--	--	152
Public Safety	--	--	455	--
Public Works	--	36,944	--	--
Community Development	--	32,887	17,979	--
Recreation	--	--	--	--
Capital outlay	--	--	3,074	--
Total expenditures	<u>--</u>	<u>69,831</u>	<u>21,508</u>	<u>152</u>
Excess (deficiency) of revenues over (under) expenditu	400,000	(11,873)	1,137	6,782
Other financing sources (uses):				
Operating transfers in	--	5,000	--	--
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>5,000</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	400,000	(6,873)	1,137	6,782
Fund balances/equity, July 1	--	10,570	12,995	15,354
Prior period adjustment	--	(12,395)	--	--
Fund balances/equity, June 30	<u>\$ 400,000</u>	<u>\$ (8,698)</u>	<u>\$ 14,132</u>	<u>\$ 22,136</u>

234	236	238	242	244
Weed & Seed Grant	Healthy Cities Grant	T-21 Project Grant	Traffic Grant	ABC Grant
\$ --	\$ --	\$ --	\$ --	\$ --
--	20,000	17,690	81,866	4,809
--	--	--	--	--
--	243	(12,891)	--	--
1,109	--	--	--	--
<u>1,109</u>	<u>20,243</u>	<u>4,799</u>	<u>81,866</u>	<u>4,809</u>
--	--	--	--	--
--	--	--	82,643	4,809
--	--	--	--	--
--	8,073	10,145	--	--
1,109	11,570	--	--	--
--	--	7,545	--	--
<u>1,109</u>	<u>19,643</u>	<u>17,690</u>	<u>82,643</u>	<u>4,809</u>
--	600	(12,891)	(777)	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	600	(12,891)	(777)	--
--	15,575	--	(484)	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 16,175</u>	<u>\$ (12,891)</u>	<u>\$ (1,261)</u>	<u>\$ --</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	247 Homeland Security Fire Grant	248 Small Business Support Center
Revenue:		
Taxes	\$ --	\$ --
Intergovernmental	11,092	--
Charges for services	--	--
Fines	--	--
Revenue for use of money & property	--	--
Miscellaneous	--	90
Total revenues	<u>11,092</u>	<u>90</u>
Expenditures:		
General government	--	--
Public Safety	3,104	--
Public Works	--	--
Community Development	--	5,671
Recreation	--	--
Capital outlay	7,988	--
Total expenditures	<u>11,092</u>	<u>5,671</u>
Excess (deficiency) of revenues over (under) expenditures	--	(5,581)
Other financing sources (uses):		
Operating transfers in	--	--
Operating transfers out	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	--	(5,581)
Fund balances/equity, July 1	--	6,595
Prior period adjustment	--	--
Fund balances/equity, June 30	<u>\$ --</u>	<u>\$ 1,014</u>

252 DOJ Brynes Grant	295 Citizen's Tax Initiative	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ --	\$ 178,078	\$ 178,078
2,630	--	2,076,400
--	--	57,958
--	--	165,960
--	--	(6,950)
--	--	220,181
<u>2,630</u>	<u>178,078</u>	<u>2,691,627</u>
--	19,490	73,133
2,630	20,137	200,249
--	--	36,944
--	--	235,236
--	--	12,679
--	--	52,811
<u>2,630</u>	<u>39,627</u>	<u>611,052</u>
--	138,451	2,080,575
--	--	5,000
--	--	(1,575,671)
<u>--</u>	<u>--</u>	<u>(1,570,671)</u>
--	138,451	509,904
--	--	343,731
--	--	(12,395)
<u>\$ --</u>	<u>\$ 138,451</u>	<u>\$ 841,240</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2008

	3071 RDA Theatre Debt Service	3091 RDA Industrial Park Debt Service	3152 PFA 1993 C Debt Service	3201 RDA-Low Income Hsng. Debt Service
Assets:				
Cash and investments	\$ --	\$ --	\$ --	\$ 196,770
Cash with fiscal agent	--	--	118,385	--
Due from other agencies	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 118,385</u>	<u>\$ 196,770</u>
Liabilities:				
Cash deficit	\$ 39,339	\$ 120,999	\$ --	\$ --
Accounts payable	--	--	--	--
Total Liabilities	<u>39,339</u>	<u>120,999</u>	<u>--</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for debt service	(39,339)	35,636	118,385	196,770
Unreserved, reported in nonmajor:				
Debt service funds	--	(156,635)	--	--
Total fund balances	<u>(39,339)</u>	<u>(120,999)</u>	<u>118,385</u>	<u>196,770</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 118,385</u>	<u>\$ 196,770</u>

3202 1994 Debt Service	3302 PFA 1994 B-C Debt Service	3352 PFA Hotel Debt Service	350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Reassessr Debt Service
\$ --	\$ --	\$ 3,163	\$ 144,590	\$ --
325,738	4	--	--	435,431
--	--	--	--	--
<u>\$ 325,738</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 144,590</u>	<u>\$ 435,431</u>
\$ --	\$ --	\$ --	\$ --	\$ 2,237
--	--	3,163	--	--
--	--	3,163	--	2,237
325,738	4	--	144,590	433,194
--	--	--	--	--
<u>325,738</u>	<u>4</u>	<u>--</u>	<u>144,590</u>	<u>433,194</u>
<u>\$ 325,738</u>	<u>\$ 4</u>	<u>\$ 3,163</u>	<u>\$ 144,590</u>	<u>\$ 435,431</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2008

	351 Assmt 92-1 Dancer II Debt Service	352 Assmt 92-1 Dancer III Debt Service	353 Assmt 91-2 Watermain Debt Service
Assets:			
Cash and investments	\$ 64,941	\$ 36,517	\$ 74,739
Cash with fiscal agent	--	--	--
Due from other agencies	--	--	--
Total Assets	<u><u>\$ 64,941</u></u>	<u><u>\$ 36,517</u></u>	<u><u>\$ 74,739</u></u>
Liabilities:			
Cash deficit	\$ --	\$ --	\$ --
Accounts payable	--	--	--
Total Liabilities	<u><u>--</u></u>	<u><u>--</u></u>	<u><u>--</u></u>
Fund balances:			
Reserved fund balances:			
Reserved for debt service	64,941	36,517	74,739
Unreserved, reported in nonmajor:			
Debt service funds	--	--	--
Total fund balances	<u><u>64,941</u></u>	<u><u>36,517</u></u>	<u><u>74,739</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 64,941</u></u>	<u><u>\$ 36,517</u></u>	<u><u>\$ 74,739</u></u>

354 Assmt 91-2 Stillman Debt Service	355 Assmt 91-2 Peasoup Debt Service	3552 PFA 1999 COP Debt Service	356 Assmt 93-1 Briarwood/Vineyard Debt Service	357 Assmt Theater Debt Service
\$ --	\$ 164,366	\$ 22,432	\$ 107,895	\$ 59,804
--	--	231,244	--	--
--	--	--	--	--
<u>\$ --</u>	<u>\$ 164,366</u>	<u>\$ 253,676</u>	<u>\$ 107,895</u>	<u>\$ 59,804</u>
\$ 2,597	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
<u>2,597</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(2,597)	164,366	253,676	107,895	59,804
--	--	--	--	--
<u>(2,597)</u>	<u>164,366</u>	<u>253,676</u>	<u>107,895</u>	<u>59,804</u>
<u>\$ --</u>	<u>\$ 164,366</u>	<u>\$ 253,676</u>	<u>\$ 107,895</u>	<u>\$ 59,804</u>

CITY OF SELMA**COMBINING BALANCE SHEET****NONMAJOR DEBT SERVICE FUNDS**

JUNE 30, 2008

	3602 PFA 2001 A Debt Service	3652 PFA 2004 A-B Debt Service	Total Nonmajor Debt Service Funds (See Exhibit C-1)
Assets:			
Cash and investments	\$ 9,080	\$ 49,393	\$ 933,690
Cash with fiscal agent	66,921	252,873	1,430,596
Due from other agencies	(9,080)	--	(9,080)
Total Assets	<u>\$ 66,921</u>	<u>\$ 302,266</u>	<u>\$ 2,355,206</u>
Liabilities:			
Cash deficit	\$ --	\$ --	\$ 165,172
Accounts payable	3	--	3,166
Total Liabilities	<u>3</u>	<u>--</u>	<u>168,338</u>
Fund balances:			
Reserved fund balances:			
Reserved for debt service	66,918	302,266	2,343,503
Unreserved, reported in nonmajor:			
Debt service funds	--	--	(156,635)
Total fund balances	<u>66,918</u>	<u>302,266</u>	<u>2,186,868</u>
Total Liabilities and Fund Balances	<u>\$ 66,921</u>	<u>\$ 302,266</u>	<u>\$ 2,355,206</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	3041 RDA Upright-Coalinga Debt Service	3071 RDA Theatre Debt Service	3091 RDA Industrial Park Debt Service	3152 PFA 1993 C Debt Service
Revenue:				
Revenue for use of money & property	\$ 23,284	\$ (2,473)	\$ 324,375	\$ 3,674
Assessment payment	--	59,000	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>23,284</u>	<u>56,527</u>	<u>324,375</u>	<u>3,674</u>
Expenditures:				
General government	--	--	--	--
Community Development	--	320	1,246	--
Debt service:				
Principal	--	20,000	40,000	--
Interest and fiscal charges	--	13,268	166,668	--
Total expenditures	<u>--</u>	<u>33,588</u>	<u>207,914</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure	23,284	22,939	116,461	3,674
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	23,284	22,939	116,461	3,674
Fund balances/equity, July 1	(23,284)	(62,278)	(237,460)	114,711
Fund balances/equity, June 30	<u>\$ --</u>	<u>\$ (39,339)</u>	<u>\$ (120,999)</u>	<u>\$ 118,385</u>

3201 RDA-Low Income Hsng. Debt Service	3202 1994 Debt Service	3302 PFA 1994 B-C Debt Service	350 Assmt 91-2 Highland Debt Service	3502 PFA 1999 A Reassessr Debt Service
\$ --	\$ 8,863	\$ --	\$ 3,560	\$ 27,575
--	237,642	--	114,419	2,138,259
--	--	--	--	--
--	246,505	--	117,979	2,165,834
--	--	--	1,350	--
--	--	--	--	--
10,000	35,000	--	33,000	580,000
60,500	105,350	--	75,140	1,284,142
70,500	140,350	--	109,490	1,864,142
(70,500)	106,155	--	8,489	301,692
46,351	--	--	--	--
46,351	--	--	--	--
(24,149)	106,155	--	8,489	301,692
220,919	219,583	4	136,101	131,502
\$ 196,770	\$ 325,738	\$ 4	\$ 144,590	\$ 433,194

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR DEBT SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	351 Assmt 92-1 Dancer II Debt Service	352 Assmt 92-1 Dancer III Debt Service	353 Assmt 91-2 Watermain Debt Service	354 Assmt 91-2 Stillman Debt Service
Revenue:				
Revenue for use of money & property	\$ 2,083	\$ 1,013	\$ 2,412	\$ (539)
Assessment payment	25,360	24,721	27,383	27,486
Miscellaneous	--	--	--	--
Total revenues	<u>27,443</u>	<u>25,734</u>	<u>29,795</u>	<u>26,947</u>
Expenditures:				
General government	1,276	1,235	1,321	895
Community Development	--	--	--	--
Debt service:				
Principal	10,000	10,000	3,000	8,000
Interest and fiscal charges	16,960	15,947	15,418	16,965
Total expenditures	<u>28,236</u>	<u>27,182</u>	<u>19,739</u>	<u>25,860</u>
Excess (deficiency) of revenues over (under) expenditu	(793)	(1,448)	10,056	1,087
Other financing sources (uses):				
Operating transfers in	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(793)	(1,448)	10,056	1,087
Fund balances/equity, July 1	65,734	37,965	64,683	(3,684)
Fund balances/equity, June 30	<u>\$ 64,941</u>	<u>\$ 36,517</u>	<u>\$ 74,739</u>	<u>\$ (2,597)</u>

355 Assmt 91-2 Peasoup Debt Service	3552 PFA 1999 COP Debt Service	356 Assmt 93-1 Brianwood/Vineyard Debt Service	357 Assmt Theater Debt Service	358 Assmt 91-2 Health Center Debt Service
\$ 3,014	\$ 7,375	\$ 3,334	\$ 1,734	\$ --
192,692	294,597	48,243	28,970	3,259
--	1,838	--	--	--
<u>195,706</u>	<u>303,810</u>	<u>51,577</u>	<u>30,704</u>	<u>3,259</u>
1,155	1,838	1,190	500	--
--	--	--	--	--
64,000	260,000	20,000	15,000	--
124,113	39,953	32,255	13,935	--
<u>189,268</u>	<u>301,791</u>	<u>53,445</u>	<u>29,435</u>	<u>--</u>
6,438	2,019	(1,868)	1,269	3,259
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
6,438	2,019	(1,868)	1,269	3,259
157,928	251,657	109,763	58,535	(3,259)
<u>\$ 164,366</u>	<u>\$ 253,676</u>	<u>\$ 107,895</u>	<u>\$ 59,804</u>	<u>\$ --</u>

CITY OF SELMA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008**

	359 Assmt Upright Debt Service	3602 PFA 2001 A Debt Service	3652 PFA 2004 A-B Debt Service	Total Nonmajor Debt Service Funds (See Exhibit C-2)
Revenue:				
Revenue for use of money & property	\$ 1,323	\$ 1,667	\$ 13,058	\$ 425,332
Assessment payment	--	616,303	208,923	4,047,257
Miscellaneous	--	4,150	--	5,988
Total revenues	<u>1,323</u>	<u>622,120</u>	<u>221,981</u>	<u>4,478,577</u>
Expenditures:				
General government	--	5,050	2,000	17,810
Community Development	--	--	--	1,566
Debt service:				
Principal	41,246	375,000	130,000	1,654,246
Interest and fiscal charges	--	241,496	90,298	2,312,408
Total expenditures	<u>41,246</u>	<u>621,546</u>	<u>222,298</u>	<u>3,986,030</u>
Excess (deficiency) of revenues over (under) expenditur	(39,923)	574	(317)	492,547
Other financing sources (uses):				
Operating transfers in	--	--	--	46,351
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>46,351</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(39,923)	574	(317)	538,898
Fund balances/equity, July 1	39,923	66,344	302,583	1,647,970
Fund balances/equity, June 30	<u>\$ --</u>	<u>\$ 66,918</u>	<u>\$ 302,266</u>	<u>\$ 2,186,868</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Assets:				
Cash and investments	\$ --	\$ 90,786	\$ 77,907	\$ 264,225
Accounts receivables	--	--	--	--
Due from other funds	700,000	--	--	--
Total Assets	<u>\$ 700,000</u>	<u>\$ 90,786</u>	<u>\$ 77,907</u>	<u>\$ 264,225</u>
Liabilities:				
Cash deficit	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	--	14,232	--
Accrued wages/benefits	21,004	--	--	--
Due to other funds	--	--	--	--
Due to other agencies	--	--	--	--
Total Liabilities	<u>21,004</u>	<u>--</u>	<u>14,232</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for low-income housing	--	--	--	--
Reserved for capital projects	--	--	63,675	264,225
Unreserved, reported in nonmajor:				
Capital projects funds	678,996	90,786	--	--
Total fund balances	<u>678,996</u>	<u>90,786</u>	<u>63,675</u>	<u>264,225</u>
Total Liabilities and Fund Balances	<u>\$ 700,000</u>	<u>\$ 90,786</u>	<u>\$ 77,907</u>	<u>\$ 264,225</u>

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer
\$ 149,419	\$ 243,031	\$ 901,737	\$ --	\$ 612,271
--	--	--	--	--
--	200,000	--	--	100,000
<u>\$ 149,419</u>	<u>\$ 443,031</u>	<u>\$ 901,737</u>	<u>\$ --</u>	<u>\$ 712,271</u>
\$ --	\$ --	\$ --	\$ 329,706	\$ --
3,558	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	11,709	--	--
<u>3,558</u>	<u>--</u>	<u>11,709</u>	<u>329,706</u>	<u>--</u>
--	--	258,503	--	--
145,861	443,031	631,525	(329,706)	712,271
--	--	--	--	--
<u>145,861</u>	<u>443,031</u>	<u>890,028</u>	<u>(329,706)</u>	<u>712,271</u>
<u>\$ 149,419</u>	<u>\$ 443,031</u>	<u>\$ 901,737</u>	<u>\$ --</u>	<u>\$ 712,271</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	4121 RDA Industrial Park Capital Project	4151 RDA Housing Bond Capital Project
Assets:				
Cash and investments	\$ 272,777	\$ --	\$ --	\$ 946,771
Accounts receivables	--	--	--	--
Due from other funds	175,125	--	--	--
Total Assets	<u>\$ 447,902</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 946,771</u>
Liabilities:				
Cash deficit	\$ --	\$ 96,414	\$ 201,157	\$ --
Accounts payable	--	--	--	--
Accrued wages/benefits	--	--	--	--
Due to other funds	--	--	--	--
Due to other agencies	--	--	1,253	--
Total Liabilities	<u>--</u>	<u>96,414</u>	<u>202,410</u>	<u>--</u>
Fund balances:				
Reserved fund balances:				
Reserved for low-income housing	--	--	--	--
Reserved for capital projects	446,701	(96,414)	(202,410)	946,771
Unreserved, reported in nonmajor:				
Capital projects funds	1,201	--	--	--
Total fund balances	<u>447,902</u>	<u>(96,414)</u>	<u>(202,410)</u>	<u>946,771</u>
Total Liabilities and Fund Balances	<u>\$ 447,902</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 946,771</u>

432 Construction 97-2 Theater	435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project	446 Amberwood Project
\$ 70	\$ 19,764	\$ 79,087	\$ --	\$ 60,529
--	--	--	163,068	--
--	--	--	--	--
<u>\$ 70</u>	<u>\$ 19,764</u>	<u>\$ 79,087</u>	<u>\$ 163,068</u>	<u>\$ 60,529</u>
\$ --	\$ --	\$ --	\$ 47,495	\$ --
--	--	--	--	35,618
--	--	--	--	--
--	--	450,000	--	--
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>450,000</u>	<u>47,495</u>	<u>35,618</u>
--	--	--	--	--
70	19,764	(370,913)	115,573	24,911
--	--	--	--	--
<u>70</u>	<u>19,764</u>	<u>(370,913)</u>	<u>115,573</u>	<u>24,911</u>
<u>\$ 70</u>	<u>\$ 19,764</u>	<u>\$ 79,087</u>	<u>\$ 163,068</u>	<u>\$ 60,529</u>

CITY OF SELMA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	447 Tutelian Project	448 Selma Crossing Project
Assets:		
Cash and investments	\$ 41,570	\$ 37,726
Accounts receivables	--	--
Due from other funds	--	--
Total Assets	<u>\$ 41,570</u>	<u>\$ 37,726</u>
Liabilities:		
Cash deficit	\$ --	\$ --
Accounts payable	--	14,279
Accrued wages/benefits	--	--
Due to other funds	--	--
Due to other agencies	--	--
Total Liabilities	<u>--</u>	<u>14,279</u>
Fund balances:		
Reserved fund balances:		
Reserved for low-income housing	--	--
Reserved for capital projects	41,570	23,447
Unreserved, reported in nonmajor:		
Capital projects funds	--	--
Total fund balances	<u>41,570</u>	<u>23,447</u>
Total Liabilities and Fund Balances	<u>\$ 41,570</u>	<u>\$ 37,726</u>

449	452	Total Nonmajor Capital Projects Funds (See Exhibit C-1)
Brandywine Project	WalMart EIR	
\$ 1,416	\$ 126,780	\$ 3,925,866
--	--	163,068
--	--	1,175,125
<u>\$ 1,416</u>	<u>\$ 126,780</u>	<u>\$ 5,264,059</u>
\$ --	\$ --	\$ 674,772
--	--	67,687
--	--	21,004
--	--	450,000
--	--	12,962
<u>--</u>	<u>--</u>	<u>1,226,425</u>
--	--	258,503
1,416	126,780	3,008,148
--	--	770,983
<u>1,416</u>	<u>126,780</u>	<u>4,037,634</u>
<u>\$ 1,416</u>	<u>\$ 126,780</u>	<u>\$ 5,264,059</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	110	111	402	4021
	Reserve	Equipment Replacement	Development Impact Police Facility	RDA Courthouse Capital Project
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	11,949	--
Revenue for use of money & property	26,879	13,149	3,408	--
Assessment payment	--	--	--	--
Miscellaneous	--	20,000	--	--
Total revenues	<u>26,879</u>	<u>33,149</u>	<u>15,357</u>	<u>--</u>
Expenditures:				
General government	--	--	--	--
Public Works	--	--	--	--
Community Development	--	--	--	--
Capital outlay	--	29,205	21,654	--
Debt service:				
Principal	--	--	--	--
Interest and fiscal charges	--	--	--	--
Total expenditures	<u>--</u>	<u>29,205</u>	<u>21,654</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditure	26,879	3,944	(6,297)	--
Other financing sources (uses):				
Operating transfers out	(68,890)	--	--	--
Total other financing sources (uses)	<u>(68,890)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(42,011)	3,944	(6,297)	--
Fund balances/equity, July 1	721,007	86,842	69,972	264,225
Prior period adjustment	--	--	--	--
Fund balances/equity, June 30	<u>\$ 678,996</u>	<u>\$ 90,786</u>	<u>\$ 63,675</u>	<u>\$ 264,225</u>

403 Development Impact Fire Facility	404 Developmental Impact City Facilities	4041 RDA Housing Project Capital Project	405 Developmental Impact Storm Drain	406 Developmental Impact Sewer
\$ --	\$ --	\$ 264,152	\$ --	\$ --
11,705	23,879	--	2,348	11,440
5,405	17,246	46,881	(9,879)	22,775
--	--	1,080	--	--
--	--	120	--	--
<u>17,110</u>	<u>41,125</u>	<u>312,233</u>	<u>(7,531)</u>	<u>34,215</u>
--	--	--	--	--
--	--	--	--	--
--	--	10,944	--	--
--	45,937	--	30,718	--
--	3,259	42,786	--	--
--	--	--	--	--
<u>--</u>	<u>49,196</u>	<u>53,730</u>	<u>30,718</u>	<u>--</u>
17,110	(8,071)	258,503	(38,249)	34,215
--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
17,110	(8,071)	258,503	(38,249)	34,215
128,751	451,102	631,525	(291,457)	678,056
--	--	--	--	--
<u>\$ 145,861</u>	<u>\$ 443,031</u>	<u>\$ 890,028</u>	<u>\$ (329,706)</u>	<u>\$ 712,271</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS FOR THE YEAR ENDED JUNE 30, 2008

	407 Developmental Impact Parks and Recreation	408 Long Range Planning Fee	4121 RDA Industrial Park Capital Project	4151 RDA Housing Bond Capital Project
Revenue:				
Taxes	\$ --	\$ --	\$ --	\$ --
Charges for services	18,564	8,240	--	--
Revenue for use of money & property	11,593	(252)	--	--
Assessment payment	--	--	--	--
Miscellaneous	--	--	--	--
Total revenues	<u>30,157</u>	<u>7,988</u>	<u>--</u>	<u>--</u>
Expenditures:				
General government	--	--	--	--
Public Works	85	--	--	--
Community Development	--	171,738	70,895	--
Capital outlay	42,261	--	--	--
Debt service:				
Principal	4,764	--	6,196	--
Interest and fiscal charges	2,950	--	--	--
Total expenditures	<u>50,060</u>	<u>171,738</u>	<u>77,091</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expendit	(19,903)	(163,750)	(77,091)	--
Other financing sources (uses):				
Operating transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(19,903)	(163,750)	(77,091)	--
Fund balances/equity, July 1	466,604	67,336	(125,319)	946,771
Prior period adjustment	1,201	--	--	--
Fund balances/equity, June 30	<u>\$ 447,902</u>	<u>\$ (96,414)</u>	<u>\$ (202,410)</u>	<u>\$ 946,771</u>

432 Construction 97-2 Theater	435 City Hall Construction	441 Northeast Plan Project	443 South Selma Specific Plan Project	445 Equipment Lease 07
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	2,964	(170)	--
--	--	--	--	310,306
--	--	--	163,068	--
--	--	2,964	162,898	310,306
--	--	--	--	--
--	91	--	330	--
--	--	--	--	--
--	--	231	106,324	--
--	--	--	--	310,306
--	--	--	--	--
--	--	--	--	--
--	91	231	106,654	310,306
--	(91)	2,733	56,244	--
--	--	--	--	--
--	--	--	--	--
--	(91)	2,733	56,244	--
70	19,855	(373,646)	59,329	--
--	--	--	--	--
\$ 70	\$ 19,764	\$ (370,913)	\$ 115,573	\$ --

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	446	447
	Amberwood Project	Tutelian Project
Revenue:		
Taxes	\$ --	\$ --
Charges for services	--	--
Revenue for use of money & property	1,476	(230)
Assessment payment	--	--
Miscellaneous	70,000	117,791
Total revenues	<u>71,476</u>	<u>117,561</u>
Expenditures:		
General government	--	--
Public Works	--	--
Community Development	77,458	75,991
Capital outlay	--	--
Debt service:		
Principal	--	--
Interest and fiscal charges	--	--
Total expenditures	<u>77,458</u>	<u>75,991</u>
Excess (deficiency) of revenues over (under) expenditures	(5,982)	41,570
Other financing sources (uses):		
Operating transfers out	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(5,982)	41,570
Fund balances/equity, July 1	30,893	--
Prior period adjustment	--	--
Fund balances/equity, June 30	<u>\$ 24,911</u>	<u>\$ 41,570</u>

448 Selma Crossing Project	449 Brandywine Project	452 WalMart EIR	Total Nonmajor Capital Projects Funds (See Exhibit C-2)
\$ --	\$ --	\$ --	\$ 264,152
--	--	--	88,125
516	116	177	142,054
--	--	--	311,386
190,000	10,000	126,603	697,582
<u>190,516</u>	<u>10,116</u>	<u>126,780</u>	<u>1,503,299</u>
--	--	--	421
--	--	--	85
175,064	8,700	--	697,345
--	--	--	480,081
--	--	--	57,005
--	--	--	2,950
<u>175,064</u>	<u>8,700</u>	<u>--</u>	<u>1,237,887</u>
15,452	1,416	126,780	265,412
--	--	--	(68,890)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(68,890)</u>
15,452	1,416	126,780	196,522
7,995	--	--	3,839,911
--	--	--	1,201
<u>\$ 23,447</u>	<u>\$ 1,416</u>	<u>\$ 126,780</u>	<u>\$ 4,037,634</u>

CITY OF SELMA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2008

	Enterprise Fund	Enterprise Fund
	Pioneer Village	Transit Service
Assets:		
Cash and investments	\$ 174,214	\$ --
Due from other agencies	--	69,810
Fixed assets (net, where applicable, of accumulated depreciation)	13,785	--
Total Assets	<u>\$ 187,999</u>	<u>\$ 69,810</u>
Liabilities:		
Cash deficit	\$ --	\$ 270,808
Accounts payable	6,872	8
Accrued wages/benefits	--	25,133
Due to other funds	--	--
Total Liabilities	<u>6,872</u>	<u>295,949</u>
Net Assets:		
Unrestricted	181,127	(226,139)
Total net assets	<u>181,127</u>	<u>(226,139)</u>
Total Liabilities and Fund Balances	<u>\$ 187,999</u>	<u>\$ 69,810</u>

Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-7)
Garbage Service	Cultural Arts	
\$ 497,538	\$ 31,523	\$ 703,275
--	--	69,810
--	--	13,785
<u>\$ 497,538</u>	<u>\$ 31,523</u>	<u>\$ 786,870</u>
\$ --	\$ --	\$ 270,808
--	500	7,380
--	--	25,133
--	40,000	40,000
<u>--</u>	<u>40,500</u>	<u>343,321</u>
497,538	(8,977)	443,549
<u>497,538</u>	<u>(8,977)</u>	<u>443,549</u>
<u>\$ 497,538</u>	<u>\$ 31,523</u>	<u>\$ 786,870</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Enterprise Fund	Enterprise Fund
	Pioneer Village	Transit Service
Operating Revenues:		
Taxes	\$ --	\$ --
Charges for services	20	--
Intergovernmental	--	337,899
Revenue for use of money & property	31,360	(11,289)
Miscellaneous	4,168	--
Total Operating Revenues	<u>35,548</u>	<u>326,610</u>
Operating Expenses:		
Personal services - salaries and wages	--	208,029
Personal services - employee benefits	--	107,603
Purchased professional and technical services	49,300	806
Other internal services	11,459	28,291
Depreciation	6,104	--
Total Operating Expenses	<u>66,863</u>	<u>344,729</u>
Operating Income (Loss)	<u>(31,315)</u>	<u>(18,119)</u>
Transfers:		
Interfund operating transfers in	--	10,000
Interfund operating transfers out	--	--
Total transfers	<u>--</u>	<u>10,000</u>
Net income	(31,315)	(8,119)
Retained earnings/fund balances, July 1	224,094	(216,127)
Prior Period Adjustment	(11,652)	(1,893)
Retained earnings/fund balances, June 30	<u>\$ 181,127</u>	<u>\$ (226,139)</u>

Enterprise Fund	Enterprise Fund	Total Nonmajor Enterprise Funds (See Exhibit A-8)
Garbage Service	Cultural Arts	
\$ 1,029,825	\$ --	\$ 1,029,825
--	375	395
--	--	337,899
10,504	2,337	32,912
--	11,763	15,931
<u>1,040,329</u>	<u>14,475</u>	<u>1,416,962</u>
--	--	208,029
--	--	107,603
1,037,293	6,887	1,094,286
--	8,301	48,051
--	--	6,104
<u>1,037,293</u>	<u>15,188</u>	<u>1,464,073</u>
3,036	(713)	(47,111)
--	--	10,000
--	--	--
<u>--</u>	<u>--</u>	<u>10,000</u>
3,036	(713)	(37,111)
494,502	(8,934)	493,535
--	670	(12,875)
<u>\$ 497,538</u>	<u>\$ (8,977)</u>	<u>\$ 443,549</u>

CITY OF SELMA

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Pioneer Village	Transit Service
Cash Flows from Operating Activities:		
Cash Received from Customers	\$ 24,071	\$ 336,759
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	--	10,000
Cash Payments to Employees	--	(311,074)
Cash Payments to Suppliers for Goods and Services	(56,591)	(29,089)
Net Cash Provided (Used) by Operating Activities	<u>(32,520)</u>	<u>6,596</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(32,520)	6,596
Cash and Cash Equivalents at Beginning of Year	206,734	(277,404)
Cash and Cash Equivalents at End of Year	<u>\$ 174,214</u>	<u>\$ (270,808)</u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income (Loss)	\$ (31,315)	\$ (8,119)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	6,104	--
Prior period adjustment	(11,652)	(1,893)
Change in Assets and Liabilities:		
Decrease (Increase) in Receivables	175	10,149
Increase (Decrease) in Accounts Payable	4,168	6,459
Total Adjustments	<u>(1,205)</u>	<u>14,715</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (32,520)</u>	<u>\$ 6,596</u>

Garbage Service	Cultural Arts	Total Nonmajor Enterprise Funds (See Exhibit A-9)
\$ 1,104,539	\$ 15,145	\$ 1,480,514
--	--	10,000
--	--	(311,074)
(1,037,293)	(14,688)	(1,137,661)
<u>67,246</u>	<u>457</u>	<u>41,779</u>
67,246	457	41,779
430,292	31,067	390,689
<u>\$ 497,538</u>	<u>\$ 31,524</u>	<u>\$ 432,468</u>
\$ 3,036	\$ (713)	\$ (37,111)
--	--	6,104
--	670	(12,875)
64,210	--	74,534
--	500	11,127
<u>64,210</u>	<u>1,170</u>	<u>78,890</u>
<u>\$ 67,246</u>	<u>\$ 457</u>	<u>\$ 41,779</u>

CITY OF SELMA**COMBINING STATEMENT OF NET ASSETS****INTERNAL SERVICE FUNDS**

JUNE 30, 2008

	700	701
	Insurance	Fleet Management
Assets:		
Accounts receivables	\$ --	\$ --
Due from other agencies	--	31
Deposits	(86,206)	--
Inventories	--	--
Prepaid items	2,928	--
Total Assets	<u>\$ (83,278)</u>	<u>\$ 31</u>
Liabilities:		
Accounts payable	\$ 408	\$ 29,044
Accrued wages/benefits	--	1,858
Total Liabilities	<u>408</u>	<u>30,902</u>
Net Assets:		
Unrestricted	(83,686)	(30,871)
Total net assets	<u>(83,686)</u>	<u>(30,871)</u>
Total Liabilities and Fund Balances	<u>\$ (83,278)</u>	<u>\$ 31</u>

702	703	704	Total Internal Service Funds (See Exhibit A-7)
Building & Utility	General Overhead	Information Processing	
\$ (68)	\$ 301	\$ --	\$ 233
--	--	--	31
--	--	--	(86,206)
--	349	--	349
--	--	--	2,928
<u>\$ (68)</u>	<u>\$ 650</u>	<u>\$ --</u>	<u>\$ (82,665)</u>
\$ 9,022	\$ --	\$ 58,382	\$ 96,856
988	527	1,479	4,852
<u>10,010</u>	<u>527</u>	<u>59,861</u>	<u>101,708</u>
(10,078)	123	(59,861)	(184,373)
<u>(10,078)</u>	<u>123</u>	<u>(59,861)</u>	<u>(184,373)</u>
<u>\$ (68)</u>	<u>\$ 650</u>	<u>\$ --</u>	<u>\$ (82,665)</u>

CITY OF SELMA

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	700	701
	Insurance	Fleet Management
Operating Revenues:		
Charges for services	\$ 1,867,424	\$ 622,387
Miscellaneous	79,082	--
Total Operating Revenues	<u>1,946,506</u>	<u>622,387</u>
Operating Expenses:		
Personal services - salaries and wages	--	57,296
Personal services - employee benefits	--	29,586
Purchased professional and technical services	--	120,233
Other internal services	1,943,936	441,599
Capital outlay	--	8,695
Total Operating Expenses	<u>1,943,936</u>	<u>657,409</u>
Operating Income (Loss)	<u>2,570</u>	<u>(35,022)</u>
Transfers:		
Interfund operating transfers in	--	--
Interfund operating transfers out	--	--
Net income	2,570	(35,022)
Retained earnings/fund balances, July 1	(86,256)	(926)
Prior Period Adjustment	--	5,077
Retained earnings/fund balances, June 30	<u>\$ (83,686)</u>	<u>\$ (30,871)</u>

702	703	704	Total Internal Service Funds (See Exhibit A-8)
Building & Utility	General Overhead	Information Processing	
\$ 728,664	\$ 156,330	\$ 173,651	\$ 3,548,456
--	281	--	79,363
<u>728,664</u>	<u>156,611</u>	<u>173,651</u>	<u>3,627,819</u>
58,576	16,302	47,163	179,337
29,155	3,850	15,241	77,832
1,456	21,296	119,146	262,131
641,533	47,062	67,551	3,141,681
2,550	69,850	7,650	88,745
<u>733,270</u>	<u>158,360</u>	<u>256,751</u>	<u>3,749,726</u>
<u>(4,606)</u>	<u>(1,749)</u>	<u>(83,100)</u>	<u>(121,907)</u>
--	--	--	--
--	--	--	--
(4,606)	(1,749)	(83,100)	(121,907)
(5,472)	754	24,071	(67,829)
--	1,118	(832)	5,363
<u>\$ (10,078)</u>	<u>\$ 123</u>	<u>\$ (59,861)</u>	<u>\$ (184,373)</u>

CITY OF SELMA

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

AGENCY FUNDS

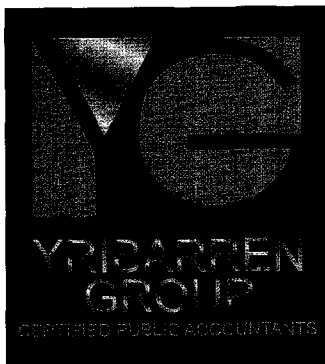
JUNE 30, 2008

	800	802	803	805
	Finance	Community	Planning	Senior
	Clearing	Services	Clearing	Citizens
	Clearing	Clearing	Clearing	Clearing
Assets:				
Cash and investments	\$ --	\$ 74	\$ 55,649	\$ 22,094
Total Assets	<u>\$ --</u>	<u>\$ 74</u>	<u>\$ 55,649</u>	<u>\$ 22,094</u>
Liabilities:				
Cash deficit	\$ 3,004	\$ --	\$ --	\$ --
Accounts payable	(3,004)	74	55,649	22,094
Total Liabilities	<u>--</u>	<u>74</u>	<u>55,649</u>	<u>22,094</u>
Net Assets:				
Total net assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

806 Police Dept Clearing	820 Payroll Clearing	836 Graffiti Reward Fund	837 Pioneer Village CCHE Trust	Total Agency Funds (See Exhibit A-10)
\$ 3,957	\$ 724	\$ 700	\$ 30,000	\$ 113,198
<u>\$ 3,957</u>	<u>\$ 724</u>	<u>\$ 700</u>	<u>\$ 30,000</u>	<u>\$ 113,198</u>
\$ --	\$ --	\$ --	\$ --	\$ 3,004
3,957	724	700	30,000	110,194
<u>3,957</u>	<u>724</u>	<u>700</u>	<u>30,000</u>	<u>113,198</u>
\$ --	\$ --	\$ --	\$ --	\$ --

Other Supplementary Information

This section includes financial information and disclosures not required by the Governmental Accounting Standards Board and not considered a part of the basic financial statements. It may, however, include information which is required by other entities.



Steven B. Yribarren, CPA

Nancy R. Tutschulte, CPA
Sue Magoon, CPA

December 31, 2008

Independent Auditor's Report

Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

City Council
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Selma as of and for the year ended June 30, 2008, which collectively comprise the City of Selma' basic financial statements and have issued our report thereon dated December 31, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Selma' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Selma' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Selma' internal control over financial reporting. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Selma' ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Selma' financial statements that is more than inconsequential will not be prevented by the City of Selma' internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Selma' internal control.

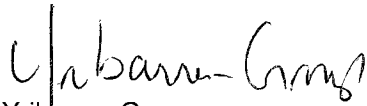
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

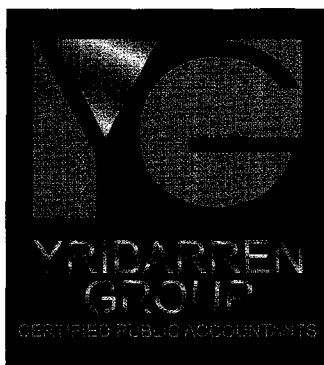
As part of obtaining reasonable assurance about whether City of Selma' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Yribarren Group
Certified Public Accountants'



Steven B. Yribarren, CPA

Nancy R. Tutschulte, CPA
Sue Magoon, CPA

December 31, 2008

Independent Auditor's Report

Report on Compliance with Requirements Applicable
To each Major Program and on Internal Control over Compliance
In Accordance With OMB Circular A-133

City Council
City of Selma
1710 Tucker Street
Selma, California 93662

Members of the City Council:

Compliance

We have audited the compliance of City of Selma with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. City of Selma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Selma's management. Our responsibility is to express an opinion on City of Selma's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Selma's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Selma's compliance with those requirements.

In our opinion, City of Selma complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of City of Selma is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Selma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Selma's internal control over compliance.

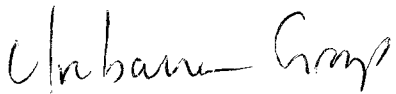
A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses.

This report is intended solely for the information and use of management, others within the entity, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Yribarren Group
Certified Public Accountants'

CITY OF SELMA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007****A. Summary of Auditor's Results****1. Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

One or more material weaknesses identified?

 Yes X NoOne or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None ReportedNoncompliance material to financial
statements noted? Yes X No**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?

 Yes X NoOne or more significant deficiencies identified that
are not considered to be material weaknesses? Yes X None ReportedType of auditor's report issued on compliance for
major programs:UnqualifiedAny audit findings disclosed that are required
to be reported in accordance with section 510(a)
of Circular A-133? Yes X No

Identification of major programs:

CFDA Number(s)Name of Federal Program or Cluster

16.592

Citizens Option for Public Safety

Dollar threshold used to distinguish between
type A and type B programs:\$300,000

Auditee qualified as low-risk auditee?

 X Yes No

CITY OF SELMA**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2007****B. Financial Statement Findings**

NONE

C. Federal Award Findings and Questioned Costs

NONE

CITY OF SELMA
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008**
EXHIBIT D-1

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed Through U.S. Department of Homeland Security:			
State Homeland Security Grant Program *	97.004	--	\$ 11,179
Total U.S. Department of Homeland Security			<u>11,179</u>
U. S. DEPARTMENT OF TRANSPORTATION			
Passed Through U.S. National Highway Safety Administration:			
State of California Office of Traffic Safety *	20.600	--	81,866
Passed Through U.S. Department of Transportation:			
TEA-21 *	20.205	--	8,616
Passed Through California Office of Traffic Safety:			
Minor Decoy Program *	20.600	--	4,809
Total U. S. Department of Transportation			<u>95,291</u>
U. S. DEPARTMENT OF JUSTICE			
Passed Through U.S. Department of Justice:			
Edward Brynes Memorial Justice Assistance Grant	16.738	--	2,630
Passed Through U.S. Department of Justice:			
Citizens Option for Public Safety	16.710	--	100,000
Total U. S. Department of Justice			<u>102,630</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through U.S. Department of Health & Human Services:			
FMAAA Title IIC1 Congragate Nutrition *	93.045	--	6,856
Passed Through U.S. Department of Health Services:			
Preventive Health Block Grant	93.991	--	20,000
Passed Through U.S. Department of Health and Human Services:			
FMAAA-Title IIIB Supportive Services *	93.044	--	14,627
Total U. S. Department of Health and Human Services			<u>41,483</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 250,583</u>

* Indicates clustered program under OMB Circular A-133 Compliance Supplement

The accompanying notes are an integral part of this schedule.

CITY OF SELMA**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008****Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of City of Selma and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.